



ZULULAND DISTRICT MUNICIPALITY 2008/09 ANNUAL REPORT



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VAT REGISTRATION NUMBER

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BANKERS

Name of the bank: ABSA

AUDITORS

Internal Auditors: PriceWaterHouseCoopers

External Auditors: Auditor-General South Africa

ATTORNEYS

Shepstone & Wylie

CUSTOMER CARE NUMBER: 035-874 5530

TABLE OF CONTENTS

FOREWORD BY HER WORSHIP THE MAYOR	Pages 5-6
FOREWORD BY THE SPEAKER	Pages 7-8
FOREWORD BY THE MUNICIPAL MANAGER	Pages 9-10
Chapter 1 - Introduction and Overview	Pages 11-18
Chapter 2 - Performance Highlights	Pages 19-52
Chapter 3 - Human Resources and Matters of Organisational Management	Pages 53-57
Chapter 4 - Functional Area of Service Delivery Reporting	Pages 58-107
Chapter 5 - Audited Financial Statements and Related Financial Information	Page 108-108
Chapter 6 - Audit and Risk Management Committee Report	Pages 109-110
<i>ANNEXURES</i>	
Annexure A - Auditor-General's Report 2008/09	Pages 111-118
Annexure B - Audited Financial Statements 2008/09	Page 119 - 161

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

Glossary of Acronyms and Abbreviations

BP	:	Business Plan
DBSA	:	Development Bank of Southern Africa
DPLG	:	Department of Provincial and Local Government
DMP	:	Disaster Management Plan
EE	:	Employment Equity
EEP	:	Employment Equity Plan
EMP	:	Environmental Management Plan
IDP	:	Integrated Development Plan
ITP	:	Integrated Transport Plan
LED	:	Local Economic Development
LUMS	:	Land Use Management System
PMS	:	Performance Management System
RDP	:	Reconstruction and Development Plan
SDBIP	:	Service Delivery and Budget Implementation Plan
SDF	:	Spatial Development Framework
WSDP	:	Water Services Development Plan
ZDM	:	Zululand District Municipality
MANCO	:	Management Committee
EXCO	:	Executive Committee
OHS	:	Occupational Health and Safety
HH	:	Households

FOREWORD BY HER WORSHIP, THE MAYOR



We have indeed come a long way in ensuring that all Zululand citizens get the necessary services that they are entitled to. As Zululand District Municipality, we have an open door policy and are transparent to our communities with all the development programmes and projects we undertake. Our consultative mechanisms of bringing on board traditional leaders in order to implement service delivery more effectively has borne positive fruits. This is one of our many strategies that have been widely adopted by other districts in this province and nationally.

We pride ourselves for being trend setters and a compass in delivering improved services to the masses. I am proud to report that as a district, we have gone beyond the learning curve and have made great strides in actual service delivery. This is through dedication, selflessness and hard work of councillors and staff of our district municipality. These are ordinary women and men folk of our district who have proved their dedication towards community upliftment under very trying circumstances. We salute them and urge them to continue with the good work they are doing, this country needs people of their calibre and stature in order to prosper. May they always remember that they have a mandate to always deliver to the electorate who voted them in their positions.

As a rural district, we still have huge backlogs which are caused by the shortage of funds. We have since committed ourselves towards developing economic ties with other countries in a bid to boost our economy. Currently we are negotiating with the Spanish government

to sponsor and train our rural communities to make a living out of their livestock. This programme is yet to be launched and we are positive that it will bring about much needed job creation and sustainability to our Ulundi and Nongoma communities where it will be piloted. Our Local Economic Programme of allocating all 81 wards under our district with own funding to establish ward based projects has and continues to make a difference in people's lives. Also in this financial year, we have established a Widows and Orphans Fund whose numbers have since increased due to HIV/AIDS. These sectors of our communities are also encouraged to form co-operatives and start their own projects.

On the service delivery front, since the year 2000 we have spent more than R647 million on regional water schemes aimed at effectively delivering portable- clean water to our rural communities. These regional schemes include uSuthu, Nkonjeni, Mandlakazi, Hlahlindlela/Mondlo, Simdlangentsha East and Simdlangentsha West. To revive agricultural activities, we have bought 40 multi-purpose tractors for areas under amakhosi jurisdiction. We also have allocated large sums of money towards community gardens and building market stalls to help people sell their produce. To ensure that community projects are sustained accordingly, we have hired personnel to train communities on poultry farming, gardening etc. As ZDM council and staff, we have made a commitment to the people of Zululand to serve them with honour and integrity and we will always abide by it.

Mayor,

V.Z. kaMagwaza-Msibi

FOREWORD BY THE SPEAKER



ZDM council has over the years functioned well and in this financial year, we have renewed energy to continue to work even harder at fulfilling our mandate given to us by the electorate. Councillors have kept their good record of participating and attending council and full council meetings. We do this because of our pledge of honour, service delivery we made to the public. Our council has undergone a process of transformation as we have seen an increase in a number of women councilors in our structure. It is imperative that we embrace these changes as they contribute to democratic principles of our country. However, I will be frank that as councilors, we still need more training to better equip us to carry out public duty more effectively.

As ZDM speaker, I am well aware of the task that we are faced with of bringing development to the masses of our people especially rural communities. Although we have made tremendous strides in bringing necessary infrastructure, we are aware that there are still huge backlogs to cover which is caused by limited budget constraints under which we operate. Our 08/09 budget of R 450 million which is the biggest we ever recorded as a district is designed to improve service delivery to the pro-poor communities. As a water service authority, naturally large sums of money go towards portable water provision and sanitation. We are proud because our regional water scheme system has been adopted by other municipalities as good practice. This is just a few of our achievements and successes that we have achieved as a district over the years.

Finally, let me take this opportunity to thank the Honourable Mayor, Councillor V.Z. kaMagwaza-Msibi for her sound leadership skills, members of the executive committee, council members, management and staff for their dedication, co-operation and hard work.

Speaker,

N.J. Mjaja

FOREWORD BY THE MUNICIPAL MANAGER



Service delivery is the municipality's core function and to ensure that Zululand District Municipality delivers, we have since made a pledge of service, honour and delivery to our community. This commitment is also reflected on our vision that of 'Service delivery through integrity'. Once again, our good service record give us much needed encouragement and drive when we do our strategic planning for the year ahead since we only strive to excel from what we managed to do the previous year. Zululand District Municipality is one of the few municipalities which have established platforms where all spheres of community including traditional leaders are represented. They are not just represented but have a say on municipal programmes and projects. Based on this background, we have since committed ourselves to build a structure for traditional leaders where they will run their daily service delivery affairs.

As management, we strongly believe in training our staff members as well as our councilors in order to capacitate them to effectively deliver services to our communities. In this financial year, which has the biggest budget we ever had as a district, we will continue with our endeavour to supply especially portable water and basic services to our needy communities. This of course is the biggest challenge taking into consideration the drought we currently face due to global warming. We, however are doing our outmost, through proper planning to deliver with the limited resources allocated to us by government. Since our inception, we have managed to spend 100% of funds allocated annually for capital projects. We really take pride at this as a district.

A special thanks to our Honourable Mayor, VZ KaMagwaza-Msibi and her entire Executive Committee, councilors and staff. Serving under her visionary leadership has always been encouraging as we are all driven by one goal, to deliver services to the masses of our previously marginalised communities. She has indeed been our inspiration and led by example to us all.

Municipal Manager,

Mr. J. H. de Klerk

CHAPTER 1: INTRODUCTION AND OVERVIEW

1.1 Introduction and purpose of the Annual Report

The Annual Report is a legal requirement in terms of Chapter 12 of the Municipal Finance Management Act, No 56 of 2003. The purpose of this report as per the Act is:

- To provide a record of the activities of the municipality;
- To provide a report on performance in service delivery and budget implementation; and
- To promote accountability to the local community.

The MFMA requires the municipality to report on all aspects of performance providing a true, honest and accurate account of the goals set by council and the success or otherwise in achieving these goals. The Annual Report is thus a key performance report to the community and other stakeholders.

In line with aforementioned, this report will be tabled in Council who must adopt an oversight report containing the Council's comments on the annual report. The annual report will also be made public and the residents and other stakeholders in the Zululand District will be given an opportunity to comment and submit representations in connection with the report, which comments and representations will be considered by the Council when adopting the oversight report.

1.2.Overview of the Municipality

Demographic Information

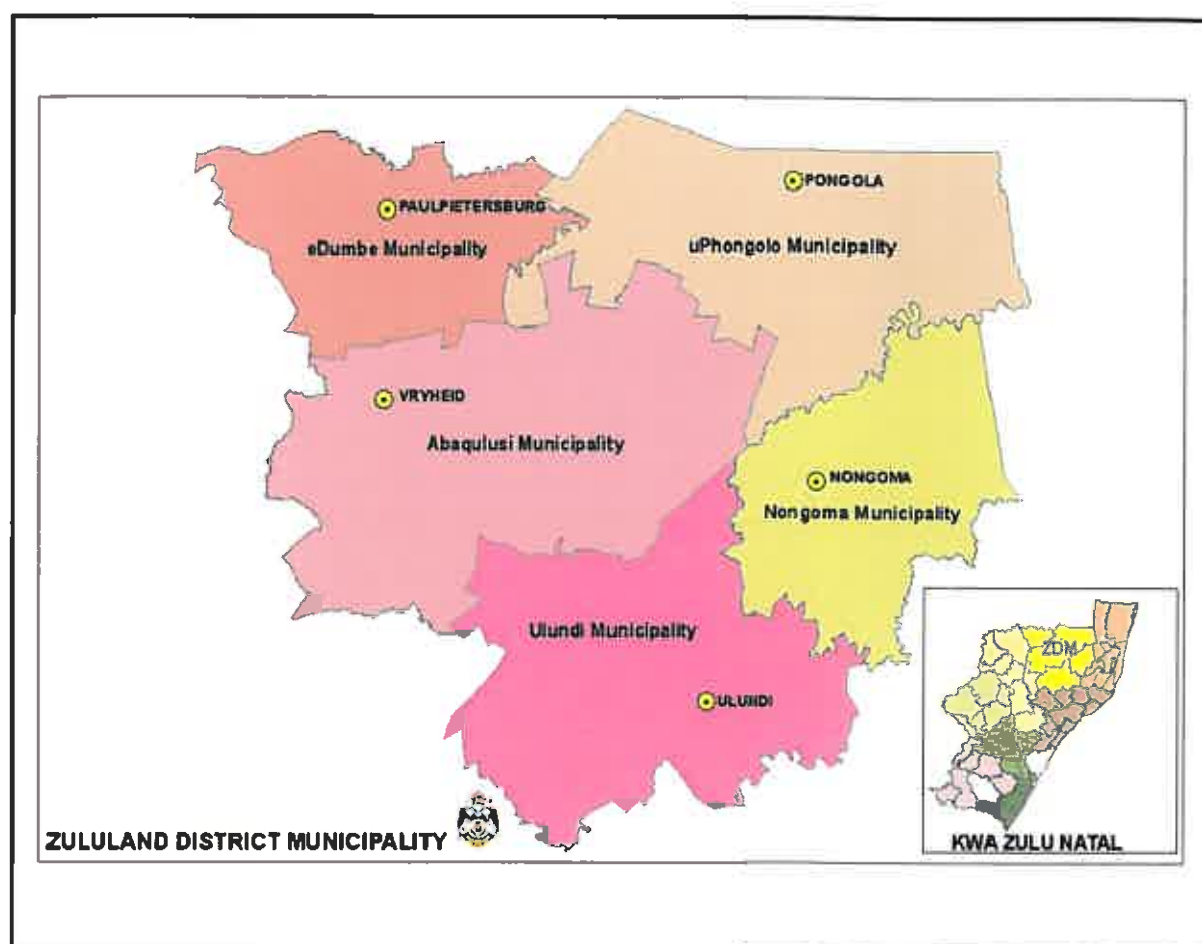
The Zululand District Municipality is one of the ten district municipalities in KwaZulu-Natal. It operates in the northern part of the province. Approximately half the area is under the jurisdiction of traditional authorities while the remainder is divided between commercially-owned farms and conservation areas. The area is predominantly rural and the population is sparsely dispersed over 14 810 km². The major towns forming part of the district are eDumbe, Abaqulusi, Nongoma, Pongola and Ulundi.

The district serves a population of 964 018 people of whom 74.6 % reside in the rural areas, with the balance in the urban and/or peri-urban areas. The district is characterised by high unemployment and poverty and, as such, the Zululand District Municipality has been identified as a Nodal Point.

The municipality is isolated from the national economy mainly due its location in relation to transport and distance from major centres. The traditional areas are poverty-stricken and depend upon the little economic output that is generated in the towns that are situated within the district.

Despite this negative backdrop against which the Zululand economy has to perform, there are unique characteristics that present a range of economic development opportunities in the district. These are in relation to tourism and agriculture. The former has started to play a larger role in the economy of area, although this does not fill the gaps caused by the closure of the mines. The mines have significant forward and backward linkages on all the economic sectors, particularly in Vryheid and the surrounding areas.

MAP OF THE ZULULAND DISTRICT MUNICIPALITY



The table below shows the population distribution per local municipality

Total Households count per Local Municipality						
		2001	2007			
LM Name	LM	Households	Households	Number of people	Growth	% Growth
Abaqulusi	KZ263	32312	36044	243766	3732	14%
eDumbe	KZ261	11611	15025	101614	3414	13%
Nongoma	KZ265	27947	34043	230233	6096	23%
Ulundi	KZ266	27957	35319	238862	7362	28%
uPongola	KZ262	16289	22112	149543	5823	22%
		116116	142543	964018	26427	100%

The table below shows the population distribution per local municipality

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		116116	142543	964018	26427	100%

A few key statistics are summarised hereunder:

INDICATOR	ZULULAND
Area	14 810 km ²
Population (2007)	964 018 people
Households	142 543
People per Household	6,763
% Urban Households	25,4%
% Rural Households	74,6%
Gender breakdown	Males 46,5 % Females 53,5 %
Age breakdown	0 – 14 38,9% 15 – 64 56,9% 65 + 4,2%

Source: Zululand DM GIS 2008

Table 2

Total Rural Household count per category per Local Municipality						
LM Name	CATEGORY	2001	2007	% of Total	Growth	% Growth
		Households	Households			
Abaqulusi	Rural	18666	15714	14.8	-2952	-3.09%
eDumbe	Rural	11097	9843	9.4	-1254	-1.31%
Nongoma	Rural	27105	33289	31.3	6184	6.48%
Ulundi	Rural	25260	29269	27.5	4009	4.20%
uPongola	Rural	13359	18165	17.0	4806	5.03%

Table 3

Total Urban Household count per category per Local Municipality						
LM Name	CATEGORY	2001	2007	% of Total	Growth	% Growth
		Households	Households			
Abaqulusi	Urban	13646	20330	56.1	6684	32.40%
eDumbe	Urban	514	5181	14.3	4667	22.62%
Nongoma	Urban	842	753	2	-89	-0.43%
Ulundi	Urban	2697	6052	16.7	3355	16.26%
uPongola	Urban	2930	3947	10.9	1017	4.93%
		20629	36263	100	15634	76%

The figures shown in the tables illustrate a tendency for a reduction in the Rural Population in Abaqulusi and eDumbe with significant growth in the urban areas. The other municipalities have all experienced rural growth with only Ulundi showing significant urban growth. The official Stats SA figures show that in 2005 there were 144 000 households within Zululand and 964 005 people. This gives an average of 6.763 people per household. The aerial count conducted, shows there is a total of 142 543 households in 2007. If we take the official figure of 6.763 people per household, and multiply it with 142 543, it brings the total number of people in Zululand to 964 018.

The following should be noted with regards to the population of this district:

- Abaqulusi (243766) and Edumbe (101607) local municipalities are home to the highest and lowest proportions of Zululand District's population, respectively.
- In terms of geographic area, Abaqulusi is the largest (4184 km²), Ulundi (3256 km²), uPhongolo (3236 km²), Nongoma (2185 km²) and eDumbe (1948 km²).
- Low levels of urbanization, approximately 68.79% of the people in the District are located in rural areas.
- A female population (53.5%) that is significantly higher than the male population (46.5%) which could be attributed to migration patterns in the province in general.
- There are large disparities in settlement concentrations such that Ulundi and Edumbe are home to the highest and lowest proportion of population, i.e. 26% and 10% respectively.

- Urbanization rates among the local municipalities indicate that Abaqulusi Municipality has the highest rate of urbanization i.e. 56 %, Ulundi follows with 16% and Edumbe at 8%. uPhongolo has 8% urbanisation rate, and Nongoma have a negative urbanization rate.

Executive summary

The ZDM Council has adopted the following long-term development vision:

'We are the Zululand region and proud of our heritage. We are mindful of the needs of the poor and we seek to reflect the aspirations of our communities. We are committed to responsible and accountable actions, tolerance and concern for racial harmony, the protection of our environment, and the strengthening of the role of women and youth. We will strive to improve the quality of life in Zululand by providing sustainable infrastructure, promoting economic development and building capacity within our communities.'

'WE SERVE THE PEOPLE'

A vision is a statement that indicates a desired future scenario, which may be idealistic, and which describes the desired future state towards which the Municipality is working.

MISSION OF THE ZDM

To create an affluent district by:

- Provision of optimal delivery of essential services;
- Supporting sustainable local economic development; and
- Community participation in service delivery

CORE VALUES OF THE ZDM

- Transparency;
- Commitment;
- Innovation;
- Integrity; and
- Co-operation

Political Leadership in the Zululand District Municipality

The Council of the Zululand District Municipality consists of 34 Councilors, 40% of which are proportionally elected and 60% elected to the district municipality from respective local municipalities. The Council is chaired by the Speaker, The Honourable Cllr. N.J. Mjaja.

The Executive Committee is chaired by Her Worship the Mayor Cllr V.Z. KaMagwaza-Msibi. The political parties represented in our council are the IFP (28), ANC (3), and the DA with (3) Councillors respectively.

The following Councillors are currently serving on the Municipal Council; their term of office started in 2006 and shall end in 2011:

*N J Mjaja (Speaker)	
** V Z KaMagwaza-Msibi (Mayor)	*V O Mbuyisa (Deputy – Mayor)
* BB Zwane	MB Mabaso
TR Bunge	NE Zungu
AB Lesala	*JBMavundla
MM Kunene	TB Lukhele
* SE Nkwanyana	SPS Mwelase
JB Ngema	SV Nkosi
MM Mntungwa	JP Ngwenya
MA Shabangu	JA Scheepers
* NP Ndlela	R B Mhlungu
S Z Buthelezi	BA Mtshali
PM Mtshali	ME Ndwandwe
NV Mbatha	NS Qwabe
HS Ngwenya	ME Sishwili
FL Buthelezi	TM Zungu
BS Khanyile	S Mlambo
MZ Mafambani	
* Member of EXCO	
** Chairperson of EXCO	

ZULULAND DISTRICT MUNICIPALITY'S EXECUTIVE COMMITTEE



L-R: Cllr JB Mavundla, Cllr NP Ndlela; Mr JH De Klerk - Municipal Manager; Cllr VZ KaMagwaza Msibi - Mayor; Cllr BB. Zwane; Cllr SE Nkwanyana; and Cllr NJ Mjaja -Speaker; (Not in the picture Cllr OV Mbuyisa - Deputy Mayor)

In order to ensure that there is synergy; and adequate monitoring and control in the performance of the municipality towards achieving the strategic goals that Council set itself; the Council established Portfolio Committees, with each one chaired by an EXCO Member. These Committees meet on a quarterly basis to track the progress that is being made by the municipality in the execution of its plans and programmes in a given financial year.

The following are the Portfolio Committees of the Zululand District Municipality Council and the number of meetings held during the current year of reporting. The number of meetings is compared with those held in the previous period of reporting i.e. 2007/2008 financial year.

PORTFOLIO COMMITTEE	MEETINGS HELD DURING 2007/08	MEETINGS HELD DURING 2008/09
Disaster Management, Health & Safety	2	1
Finance & Budgeting Portfolio	4	0
LED & Tourism Portfolio	3	2
Community & Social Development	6	6
Capex & Water Provision Portfolio	4	3
Planning & GIS	2	0
Audit Committee	4	4
Local Labour Forum	2	3
Executive Committee	14	12
Full Council	6	3

CHAPTER 2: PERFORMANCE HIGHLIGHTS

The purpose of this chapter is to report on the municipality's performance specifically on its core functions, namely, the provision of water and sanitation services. The report is presented under the following headings:

1. Performance score card of council
2. Progress made towards the eradication of service backlogs; and
3. Progress made on the municipality's Strategic Focus Areas

2.1. Performance score card of council

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Focus Area	Objective No	Key Objective	Objective	Ob jective	KPI No	Municipality Council KPI 2008/2009	File	Score	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence
1: Service Delivery	1.1	Water & Sanitation	1	To improve service at a good quality to all potential consumers in	To improve service at a good quality to all potential consumers in	To improve service at a good quality to all potential consumers in	1	Sec 43 (Reg 10 (a)) : Percent age of households with access to basic level of water	1	5	5	308	135	270			HOD :TS	52.00 %	52.00 %	52.25 %	52.50 %	52.75 %	53.00 %	Engineer's certificate indicating no. Of high and communities served.

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Focus Area	Objective No	Key Objective	Objective	To improve access to basic services	2	Sec 43(Reg 10 (a)); Percent age of households with access to basic level of sanitation	1	5	5	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence	
				the district														HOD :TS	550	42.00 %	42.00 0%	42.00 5%	42.01 5%	42.02 0%	42.02 5%	Engine er's certificate indicating no. Of hh and communities served.
						To improve on the quality	3	Number of required tests conducted (sample s) as per approve	2 (a,b,c&d)	5	5	5						HOD :TS	550	440	495	550	605	660	1. Results as certified by an accredited laborator y. 2.	

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Focus Area	Objective No	Key Objective	Objective of water delivered	KPI No	Municipality Council KPI 2008/2009 d strategy	File	Score	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence
					To ensure adequate water supply to all communities during the year of less than 15 days per plant	4	Average cumulative interruption time during the year of less than 15 days per plant	3 (a&b)	4	5						HOD :TS	20	25	20	15	10	5	Summary of monthly reports to DD on downtime by plant supervisors
																							WSA written confirmation that the tests were done according to the approved Strategy

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Focus Area	Objective No	Key Objective	Objective	KPI No	Municipality Council KPI 2008/09	File	Score	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence
							Sec 43(Reg 10 (b)); Percent age of households earning less than R1100 pm with access to free sanitation	5	5	5						HOD :TS	25.3	25.31 %	25.31 %	25.32 %	25.33 %	25.34 %	Engineer's certificate indicating no. Of hh and communities served.
							Average time of notification to the community prior to planned interruptions	6	4	5						HOD :TS	24hrs	4 hrs	12 hrs	24 hrs	48 hrs	72 hrs	Isolation approval register maintained by DD/No tices with dates
							To implement effective Customer Care																

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Focus Area	Objective No	Key Objective	Objective	KPI No	Municipality Council KPI 2008/09	File	Score	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence
						10	Average time of notification to the community on unplanned interruptions, after incident being reported between 4am & 10pm	7	3	5						HOD :TS	12hrs	6 hrs	4 hrs	2 hrs	1.5 hrs	1 hr	Register, signed by the HOD, of interruptions & notices issued.
						11	Average response time to complainants on customer queries	1	4	3						ALL HODs		3 days	2 days	24hrs	2hrs	30mins	Size report

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Focus Area	Objective No	Key Objective	Objective	To regularly review water policies and by-laws	18	Date of revised water policies and by-laws approved	1	4	5	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence
						To effectively monitor	19	Number of reports monitored	1	4	5							HOD :PCD	8	4	6	8	12	18	Register, acknowledging receipt by WSA

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Focus Area	Objective No	Key Objective	Objective	KPI No	Municipality Council KPI 2008/2009	File	Score	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence
					or water service providers																		manager
		Disaster Management		To ensure the review of the Disaster Management Plan		2 1	Date on which DMP is reviewed	1,2,3	5	5						HOD:CS	30/06/2009	30/08/2009	01/07/2009	30/06/2009	31/05/2009	30/04/2009	Certified council resolution
				To create DM awareness in		2 3	Number of awareness events held	1,2,3	2	5						HOD:CS		5	8	10	11	13	Minutes confirming reports tabled to PFC

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Objective No	Key Objective the district	Objective	KPI No	Municipality Council KPI 2008/09	File	Score	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence
			To promote tourism in the district	To promote tourism products	24	Set of tourism packages prepared	1	5	5						HOD :PCD	30/06 /2008	30/06 /2008	01/07 /2008	30/06 /2008	31/05 /2008	30/04 /2008	Minutes confirming reports tabled to PFC
			To create tourism awareness in the district	To create tourism awareness in the district	25	Number of awareness events held	1	5	5						HOD :PCD	10	5	8	10	14	16	Minutes confirming reports tabled to PFC

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Focus Area	Objective No	Key Objective	Objective	KPI No	Municipality Council KPI 2008/09	File	Score	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence
2. Economic Development		Local Economic Development		To improve the economy of the district, through the creation of job opportunities and additional economic activities	To effect participation in LED	28	Sec 43 (Reg 10(d)): Number of jobs created through LED and Capital programme	1	3	5						HOD :PCD	400	200	300	400	500	600	Size report

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Focus Area	Objective No	Key Objective	Objective	KPI No	Municipality Council KPI 2008/2009	File	Score	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence
						29	Number of awareness events held	1	2	5						HOD :PCD	10	5	8	10	14	16	Minutes confirming reports tabled to PFC
					To provide sufficient funding for LED	30	Number of LED related business plans submitted for funding	1	4	5						HOD :PCD	10	4	6	10	14	16	Confirmation of receipt by funders
					To effectively contribute to LED	31	Date of revised LED plan approved (including tourism, business and	1	4	5						HOD :PCD	30/06 /2009	30/06 /2009	01/07 /2009	30/06 /2009	31/05 /2009	30/04 /2009	Certified Council Resolution

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Focus Area	Objective No	Key Objective	Objective	KPI No	Municipality Council KPI 2008/2009	File	Score	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence
					D in the district		agriculture plans)																
					To effectively coordinate LED in the district	32	Number of LED Forums /sub-forums held	1	1	5						HOD :PCD	9	3	6	9	12	15	Signed minutes
					To build LED capacity	33	Number of business training events held	1	5	5						HOD :PCD	3	1	2	3	4	5	Minutes confirming reports tabled to PFC

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Focus Area	Objective No	Key Objective	Objective	KPI No	Municipality Council KPI 2008/2009	File	Score	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence
		HIV/Aids		To reduce the occurrence and impact of HIV/AIDS		3 4	Number of awareness events held	1,2,3	2	5						HOD:CS	10	5	8	10	11	13	Minutes confirming reports tabled to PFC
				To establish sufficient institutional capacity for the red		3 6	HIV/AIDS Strategy approved	1,2,3	2	5						HOD:CS	30/06/2009	30/08/2009	01/07/2009	30/06/2009	31/05/2009	30/04/2009	Signed strategy approved by MM

Zululand District Municipality 2008/09 KPI's Strategic Focus Area	SFA No	Focus Area	Objective No	Key Objective	Objectives	KPI No	Municipality Council KPI 2008/09	File	Score	Possible score	Total	Meet Expectation	Score	Weighting	Weighted Score	Responsibility	Baseline	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)	Agreed evidence
		Youth & Gender		To promote youth and gender participation in council programmes	To improve involvement in community programmes	39	Number of awareness events held	1,2,3	5	5						HOD :CS	5	3	4	5	6	7	Minutes confirming reports tabled to PFC

2.2. Progress made towards the eradication of service backlogs

The statistics as at the end of June 2009 indicate that households within the Zululand District Municipality are served with at least a basic RDP level of service for both water and sanitation. With regards to the water function, an RDP level of service is at least 25 litres of water per person per day, within a 200 metre walking distance.

The municipality's performance on the eradication of service backlogs is indicated in the table below:

The following should be noted with regards to the Sanitation Backlogs:

A comprehensive survey on the status of sanitation in the ZDM was completed in the 0708 financial year. In the 0809 financial year the construction of sanitation units was commenced with at Holinyoka(922), Buxedine(1121), Nsukazi(1465) and Nsabekhuluma(1100). Other units will be implemented in 0910 financial year.

2.3. Strategic focus areas

The table hereunder is a summary of the strategic focus areas for the ZDM, including the goals, strategies and development objectives for the ZDM. The strategic focus areas are:

- To facilitate the delivery of sustainable infrastructure and services
- To promote economic development
- To promote social development

Further information regarding the progress made by the municipality on these focus areas is indicated on the table below:

Strategic Focus Area 1: To facilitate the Delivery of Sustainable Infrastructure and Services		
To facilitate the delivery of infrastructure and services, such as water, sanitation, electricity, access roads, telephones, postal services, clinic, schools, community halls, sport fields and facilities, pension payout points, police stations, etc. in a sustainable manner		
Development Objectives	Development Strategies	Status 08/09
Provision, upgrading and maintenance of Basic Infrastructure to address Backlogs	<ul style="list-style-type: none">▪ Revision and implementation of the Water and Sanitation Development Plan (WSDP)▪ Preparation and implementation of Operation and Maintenance Programmes to ensure cost effective and sustainable	<ul style="list-style-type: none">▪ Completed

	<p>infrastructure and services delivery</p> <ul style="list-style-type: none"> ▪ To ensure the effective role-out of the Rudimentary Programme (Free Basic Services) ▪ Compliance with National Water Quality Standards 	<ul style="list-style-type: none"> ▪ Implementation programme was reviewed in line with the WSDP and executed ▪ Monthly water testing was done
To ensure co-ordinated service delivery from all service providers	<ul style="list-style-type: none"> ▪ To prepare and implement an Infrastructure and Services Provision Communication Strategy which details the roles and responsibilities of all service providers in the district, as well as assist with the co-ordination of such service delivery ▪ To ensure that all required Sector Plans are prepared / revised and implemented 	<ul style="list-style-type: none"> ▪ Infrastructure and Services Provision Communication Strategy is being drafted to co-ordinate communication and service delivery between all service providers in the district ▪ On-going. Funding is continuously sought.

To ensure the appropriate and effective use of land through spatial planning initiatives and the implementation of the outcomes thereof	<ul style="list-style-type: none"> ▪ Review Land Use Management Framework ▪ Revise Spatial Development Framework ▪ Ensure that Land Reform is incorporated into local and district municipal planning and ensure its acceleration 	<ul style="list-style-type: none"> ▪ Completed ▪ Completed ▪ The DLA was engaged at various platforms in order to facilitate co-ordination
To provide and effective and efficient environmental health service	<ul style="list-style-type: none"> ▪ Prepare and implement an Environmental Health Management Plan ▪ Ensure sufficient qualified staff allocation to fulfill environmental health function 	<ul style="list-style-type: none"> ▪ Completed. The plan is in place and implemented annually. ▪ The environmental health unit is being restructured
To improve public transport services	<ul style="list-style-type: none"> ▪ Implement Public Transport Plan ▪ To improve communication and liaison between the District and Public Transport Associations 	<ul style="list-style-type: none"> ▪ The review of the plan has been completed. ▪ Public Transport Associations were consulted during the review of the plan. They will also be consulted during other phases of the plan.
To ensure the effective and efficient management of regional solid waste	<ul style="list-style-type: none"> ▪ Finalise and implement Integrated Waste Management Plan (IWMP) 	<ul style="list-style-type: none"> ▪ In progress. Plan is partially complete with several components of waste sector addressed.
Ensure alignment of all infrastructure and service delivery projects with the IDP	<ul style="list-style-type: none"> ▪ Ensure participation of all service providers (including the ZDM) in the IDP process 	<ul style="list-style-type: none"> ▪ On-going. All development stakeholders participate in the IDP and IGR Structures
Ensure that in the implementation of infrastructure and service delivery projects that cognisance is taken of environmental considerations	<ul style="list-style-type: none"> ▪ Ensure compliance with environmental legislation and policies in the implementation of projects 	<ul style="list-style-type: none"> ▪ On-going. All project projects are prepared and implemented in line with the standard operating procedures
To develop internal and external capacity to ensure effective and efficient infrastructure and service delivery	<ul style="list-style-type: none"> ▪ Implement Engineering Mentorship Programme (internal) ▪ Implement Emerging Contractors Development Programme 	<ul style="list-style-type: none"> ▪ Ongoing ▪ Ongoing

Improve financial management of infrastructure and service delivery projects	<ul style="list-style-type: none"> ▪ Ensure effective co-ordination and co-operation between the Financial and Technical Departments 	<ul style="list-style-type: none"> ▪ Ongoing. Systems developed to assist with cooperation and coordination
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Strategic Focus Area 2: To promote Economic Development		
<ul style="list-style-type: none"> ▪ To strengthen the local economy with particular emphasis on tourism, agriculture and business sectors. 		
Improve Financial Management		
Development Objectives	Development Strategies	
To identify and develop economic opportunities for the rural population in the District in order to reduce poverty	<ul style="list-style-type: none"> ▪ Implement ZDM Local Economic Development (LED) Plan ▪ Identify and market LED agricultural development / production on Ingonyama Trust and State Land (specifically consider settlement patterns) ▪ Prepare and implement District Agricultural Development Plan ▪ Identify and develop opportunities for international markets (linked to Dube Tradeport) ▪ Identify and promote agri-processing development 	<ul style="list-style-type: none"> ▪ Ongoing ▪ On-going ▪ The document is in place. Implementation is ongoing with the launch of the SMME Tractor programme and on-going collaboration with a Spanish development agency. ▪ On-going ▪ On-going. Business plans are regularly submitted to access funding.
To market Zululand to attract investment	<ul style="list-style-type: none"> ▪ Prepare and implement a District Marketing and Communication Strategy ▪ Establish an Incentive Strategy 	<ul style="list-style-type: none"> ▪ In progress ▪ To be established

To promote Zululand as a provincial, national and international tourism destination	<ul style="list-style-type: none"> Revise and implement ZDM Tourism Plan Develop critical tourism routes linked to regional opportunities Identify, promote and support District Wide Tourism Initiatives 	<ul style="list-style-type: none"> The plan is reviewed annually. Implementation is on-going. In Progress Ongoing
To promote SMME development in the District	<ul style="list-style-type: none"> Identify, develop and support opportunities for business development 	<ul style="list-style-type: none"> Ongoing
Promote tourism and economic development through the strategic use of the Ulundi Airport	<ul style="list-style-type: none"> Implement Airport Development Plan Elevate the status of the Ulundi Airport to that of a regional airport Identify and promote tourism initiatives through linkages with the airport services 	<ul style="list-style-type: none"> On-going In Progress Ongoing
To improve access for tourism, economic and social development through the upgrading of the P700 (route between Ulundi and Richards Bay / Empangeni)	<ul style="list-style-type: none"> Promote appropriate development at strategic locations along the P700 Market the P700 as the preferred route between Mpumalanga and uMhlathuze Region 	<ul style="list-style-type: none"> Development of the P700 node is in progress On-going
Improve Financial Management	<ul style="list-style-type: none"> Update levy payers data base on an annual basis Refine procedures to ensure an increase in levy payments Revise and implement Financial Plan Ensure regular budget meetings and adjustments by HODs To ensure the establishment and implementation of a supply chain management system that complies with the MFMA and Supply Chain Management 	
Ensure that in the implementation of LED projects that cognisance is taken of environmental considerations	<ul style="list-style-type: none"> Ensure compliance with environmental legislation and policies in the implementation of LED projects Identify and promote LED opportunities through linkage with the District's natural resources 	<ul style="list-style-type: none"> On-going. Standard Operating procedures are applied in all project phases On-going

Develop skills of staff involved in LED	<ul style="list-style-type: none"> Provide appropriate skill training courses to LED officers 	<ul style="list-style-type: none"> On-going
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Strategic Focus Area 3: To promote Social Development		
To promote social development and provide support to assist communities throughout the District to cope with the combined impact of poverty and HIV/AIDS		
Development Objectives	Development Strategies	
To reduce the impact of HIV/AIDS on communities	<ul style="list-style-type: none"> Implement the ZDM HIV/AIDS Strategy Involve youth in sexual morality education 	<ul style="list-style-type: none"> On-going On-going
To minimize the effect of natural and other disasters on communities	<ul style="list-style-type: none"> Implement ZDM Disaster Management Plan 	<ul style="list-style-type: none"> On-going
To cater for the social development needs of youth, women, the disabled and the aged members of communities	<ul style="list-style-type: none"> Implement Youth Development Plan Prepare and implement Participation Strategy for youth, women, the disabled and the aged (inclusive of government departments, NGOs, local municipalities and other relevant stake holders) Implement Gender Equity Plan 	<ul style="list-style-type: none"> On-going Completed Completed
To create a safe and secure environment for all residents in, and visitors to, the District	<ul style="list-style-type: none"> Prepare and Implement a District Crime Prevention Strategy (involvement of all relevant stakeholders) 	<ul style="list-style-type: none"> In Progress
To facilitate the provision of sustainable community facilities	<ul style="list-style-type: none"> Prepare and Implement a ZDM Community Facilities Plan 	<ul style="list-style-type: none"> Completed/Ongoing
To facilitate the provision of sustainable, affordable and suitably-located housing development	<ul style="list-style-type: none"> Prepare and Implement a ZDM Housing Sector Plan 	<ul style="list-style-type: none"> In Progress
Conserve and protect the District's Cultural Heritage	<ul style="list-style-type: none"> Identify cultural heritage sites and ensure its incorporation into local municipalities LUMS and District's Land Use Management Framework Identify, promote and support educational cultural campaigns 	<ul style="list-style-type: none"> Completed In Progress
Ensure that in the implementation of social projects that cognisance is taken of environmental considerations	<ul style="list-style-type: none"> Ensure compliance with environmental legislation and policies in the implementation of social projects 	<ul style="list-style-type: none"> In Progress
Develop skills of staff to effectively and efficiently deal with social issues	<ul style="list-style-type: none"> Provide appropriate internal training to staff involved with social issues 	<ul style="list-style-type: none"> Completed/Ongoing
Secure funding for social projects	<ul style="list-style-type: none"> Make budgetary provision for obtaining funding for social projects 	<ul style="list-style-type: none"> Ongoing

CHAPTER3: HUMAN RESOURCE AND MATTERS OF ORGANISATIONAL MANAGEMENT



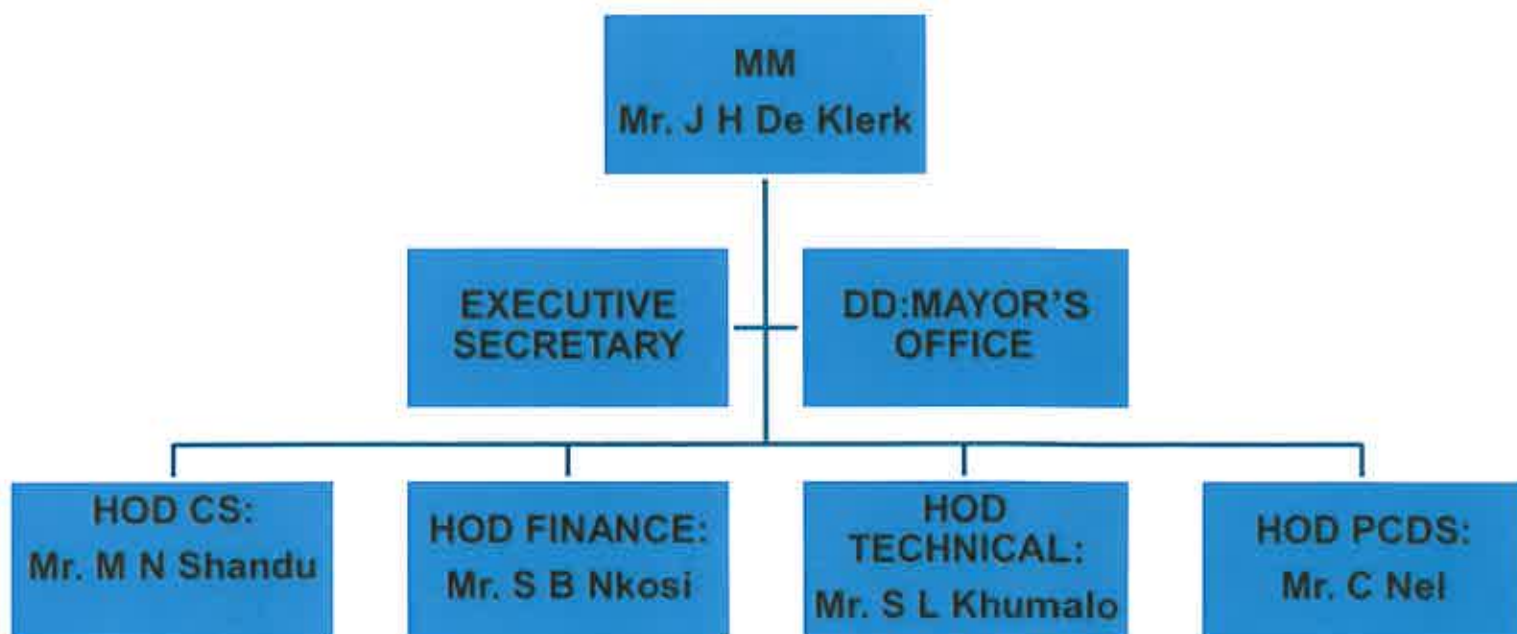
The municipality has a total number of 465 permanent employees, and 130 non-permanent employees, therefore the total number of employees equals to 595

Staff turnover during the year

- Resignations: 19
- Medical Boarding: 3
- Retirement: 0
- Dismissal: 1
- Deaths: 14

HIGH LEVEL ORGANISATIONAL STRUCTURE

The municipality has five departments i.e. Municipal Manager's office, Budget and Treasury Department, Technical Services, Planning and Community Development and Corporate Services as depicted on the following organogram:



These five departments are headed by Section 57 employees whose current employment contracts will expire on 31 July 2011. The responsibilities of each of these departments are indicated in detail in Chapter 4: Functional Service Delivery.

STAFF PROFILE

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I		A	C	I	W	Male	Female	
Legislators, Senior Officials and Managers	29			5	13						47
Professionally qualified and experienced specialists and mid-management	5			1	2						8

Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	138			2	66	1		1			208
Semi-skilled and discretionary decision making	158				42			1		1	202
Unskilled and defined decision making	0										0
Other	0										0
TOTAL PERMANENT	330			8	123	1		2		1	465
Temporary employees	125				5						130
GRAND TOTAL	455			8	128	1		2		1	595

Training & Development:

The Training and Development section is charged with the overall development and implementation of Zululand District Municipality's skills development strategy. The Work Place Skills Plans as well as facilitation of work place education and training, thus ensure adequate and a well developed internal human resource capacity, to enable the municipality to fulfil its institutional and constitutional obligations.

A total number of 179 employees received training in the financial year 2008/2009.

TRAINING AND SKILLS DEVELOPMENT:

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I		A	C	I	W	Male	Female	
Legislators, Senior Officials and Managers	4				1						5
Professionally qualified and experienced specialists and mid-management	5			1	4						10

Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	37				11	1		1			50
Semi-skilled and discretionary decision making	65				29						94
Unskilled and defined decision making	0										0
Other	0										0
TOTAL PERMANENT	111			1	45	1		1			159
Temporary employees	18			2							20
GRAND TOTAL	129			3	45	1		1			179

NUMBER OF STAFF PER FUNCTIONAL AREA AND VACANCIES:

DETAILS	TOTAL STAFF	FILLED POST	VACANT POST
Executive Council	45	45	0
Budget and Treasury Office	41	39	2
Corporate Services	63	61	2
Technical Services	414	407	7
Planning and Community Development	32	31	1
TOTAL	595	583	12

Disclosure Concerning Councillors and Senior Officials

In terms of section 124 of the Municipal Finance Management Act No 56 of 2003, the following is disclosed

Councillors Remuneration

Details	Amount
Councillors	2 878 719
Councillors allowances	1 643 702
Contributions to UIF, Medical & Pension	411 662
TOTAL	4 934 083

Senior Officials - S 57 Managers

Details	MM	CFO	HOD- Corporate	HOD- Technical	HOD- PCD
Annual Remuneration	441 776	250 800	221 040	262 762	299 067
Performance Bonus	197 125	131 745	131 745	131 745	131 745
Car ,Housing,other allowances	321 698	418 911	527 899	520 557	485 129
Contributions to UIF,Medical & Pension	156 439	102 180	246 559	74 063	103 236
TOTAL	1 117 037	903 636	1 127 241	989 127	1 019 177

Employee Assistance Programme:

The EAP is a work based intervention programme that is aimed at pro-active identification and resolution of work and personal related problems which may have an adverse effect on the employee's ability to optimally perform and execute his or her duties. These problems may include but shall not be limited to health, marital, family, financial, alcohol, drugs, legal, emotional, stress or any other which may negatively affect the performance of an employee.

The vision of Zululand's EAP is to strive for a healthy and productive workforce and a stress free working environment by assisting employees identify and effectively resolve problems that circumvent them from performing optimally.

Occupational Health & Safety:

Promotion of a healthy working environment is a mandatory requirement to employers, prescribed by the Occupational Health & Safety Regulations.

This section is charged with the responsibility of developing and implementing occupational health and safety strategy, programmes and plans, and evaluating the quality and adequacy of internal and external OHS systems and other related interventions with respect to the prevention and management of occupational health and safety.

CHAPTER 4: FUNCTIONAL AREA OF SERVICE DELIVERY REPORTING

4.1. CORPORATE SERVICES DEPARTMENT



The Head of Department for Corporate Services is Mr. Michael N. Shandu. The Departmental aim is to ensure that other departments provide effective and efficient services that match the world-class standards and also provides strategic support to all departmental functions within the municipality.

The department provides the following services:

Disaster Management, Facilities and maintenance, Youth, Sports, Recreation, Gender, Human Resources, Capacity Building, Training and Development, Secretariat and Administration, Legal Services, Fleet Management, Indonsa Arts and Craft, Princess Mandisi Health Care Centre and Prince Mangosuthu Buthelezi Airport.

Management Services Division

The responsibilities of the Management Division is to ensure provision of the necessary Human Capital, ensuring professional Labour Relations; Employee Assistance Programme; the development of Municipality's Human Capital through relevant Training and Development Strategies, which captures critical training interventions; Efficient Secretariat Support to the Municipal Council and its committees and ensuring a people centric Customer Care that is efficient, effective and accessible to the community. Another part of this functional division is to ensure that Council policies are upheld, including the provision that correct policy processes as set out by the standing rules and orders of council should there be any amendments to policies.

Our Labour Relations is fully functional and has aided the municipality to improve the levels of discipline and productivity of employees. In the reporting period, the matters dealt with in disciplinary hearings amount to fifteen (15).

Customer Care Center

The Council of Zululand District is committed to the creation of a people-centered customer care center that is efficient, effective and truly accessible to all communities serviced by the municipality.

The Council procured a Customer Query Logging system (SIZA) to ensure that all communication with the citizens is recorded and that there are proper and adequate mechanisms to monitor the progress being made from time to time, in resolving issues raised by the community.

Auxilliary Services Division

The primary responsibility of this self explanatory division, which is located within the Corporate Services Department, is to provide support and assistance to the department and the municipality as a whole, on areas which provides social related services, to municipal records and fleet management amongst its functions. This division has an utmost responsibility to municipal sports and recreation across all the five local municipal areas of the Zululand District Municipality. This includes the coordination of SALGA/ KWANALOGA Games and other sporting festivities within the greater Zululand District area.

Fleet Management

In the year 2008/09 ZDM procured one water tanker for drought relief intervention, two honey suckers that are based at Uphongolo and Edumbe and three TLB's based in Nongoma, Phongola and Edumbe.

The Council had two major accidents in which some of our staff members passed away. The one incident was an accident in which Nissan 1400 NKU 2090 was involved during which one staff member died and second incident involved the Toyota Hilux NKU 794 during which two passengers passed away, both vehicles were written off.

The other two vehicles were written off because of their market value compared to the cost of repairs. ZDM currently owns 83 vehicles.

Youth & Sports



Sports Development is one of the community's activities that cut across racial, gender and culture. It promotes development, personal discipline, leadership, team work skills and entertainment through sporting activities. It also contributes to the development and empowerment of local communities and encourages interest of learning and gaining more skills. Zululand District Municipality held a very successful and developmental Mayoral Cup Games. Mayoral Cup Games provide an opportunity for the players within Zululand District Municipality to show case their talent, compete and inspire other potential players there by instilling district pride and unity. A minimum of 3 500 young people participates in the Mayoral Cup Games. The mayoral cup provides participants with developmental opportunities, through high level of competition, thus preparing them for the future experiences such as SALGA Games whereby a minimum of 450 players participate in the SALGA games every year.

- Provide opportunities for personal development and marketing of the players and expose the participants to the competition environment.
- Create a platform for the Honorable Mayor and the Community and Social Development Portfolio Committee to strengthen the relationship with the Associations and Federations within the Zululand District Municipal Area and gain more commitment from the advanced sports developers such as PSL Teams and SAFA representatives.

The ZDM TEAM is extremely doing well on the following codes:

- Soccer M & F
- Netball M & F
- Basketball M & F
- Volleyball M& F
- Boxing M & F
- Dance Sport M & F
- Rugby M & F
- Cricket
- Indigenous games
- Swimming
- Horse racing
- Athletics M & F
- Table tennis M & F
- Golf

56 KM Marathon

Zululand District Municipality, 56 km Marathon competition race route from Nongoma (KwaGqikazi to Ulundi (Ulundi Regional Stadium). Hundreds of runners from all over the country of South Africa as well as other African Countries. It is indeed a Social and Economical Development tool to the community of this district since people get the opportunity to win money prizes, local vendors sell as much as they wish, spectators enjoy the whole tournament as well as enjoying the opportunity to be part of the drastic developing district in the facet of sport development.

Widows and Orphans and People Living with Disabilities.

Zululand district municipality has gone extra mile to ensure that widows, orphans and people living with disabilities are in the map and are fully recognized and involved in all social and economic development programmes by providing them with a platform and a budget to cater for their projects and moreover, have their special celebration day known as widows, orphans and disability day.

Widows and orphans from all wards from five local municipalities which is a minimum of 6 000 widows and 6 000 orphans.

Women's Summit and Women's Day.

Women in Zululand are indeed pillars of the nation, as a result their inputs and involvement in the council's programmes has played a very significant role in terms of social and economic development of Zululand district municipality. Women's summit aims at empowering women through information sharing sessions and dialogues that are developmental and have a fruitful outcome in the lives of the women of these days and the future generation. Issues covered by these empowerment sessions include: Women in politics, women in leadership, women fighting poverty, women against violence and crime, women and health etc. The Women's Day celebration motivates women of the district the pride of being the appreciated and recognized citizens.

Youth Summit and Youth Day Celebration

Zululand District Municipality ensures that the young people of this district are given all the opportunities they deserve and the platforms to access developmental opportunities through sports and information sharing sessions such as summits, seminars, conferences as well as Youth Day Celebrations. During the summit, all delegates were provided with useful and needed information especially that is current such as: Youth in business, Youth against crime, youth against HIV/AIDS, Youth in leadership, Youth in supply chain management. The youth day Celebration was very successful and very entertaining to our young people, rejuvenating and motivating them to be proud ZDM Youth.

A minimum of 10 000 young people attended the youth day celebrations while young people also seize developmental opportunities through sports, as a result the municipality gives out soccer kits, netball kits and other kits for other sport codes that re requested by young people from all five local municipalities.

Report on ZDM Social Programmes

Zululand District Municipality has a commitment to improve the lives of its citizens. Our commitment as the municipality is to ensure that all communities of Zululand are taken care of holistically, which means that we are also concerned about people's health and welfare while implementing our core mandates as the municipality.

The ZDM Social Programmes Unit is housed at the municipal health centre known as Princess Mandisi Health Care Centre. This was the ZDM initiative of addressing the serious increase rate of HIV and AIDS in the District. Princess Mandisi Health Care Centre has the following intervention programmes;

AIDS Councils

- Zululand District Aids Council (DAC) was officially launched on the 14 December 2007.
- Out of five local municipalities in the District, ZDM has assisted 3 to launch their Local Aids Councils (LAC), the other 2 have established and they will be launching before the end of July 2010.
- ZDM HIV and AIDS Unit has started the process of organizing Ward Aids Committees (WAC), all 81 wards will have their WAC established by the end of next year.

HIV and AIDS Programmes

- Voluntary counseling and Testing (VCT)
- Health Education to youth in schools and out of school
- On-going counseling for the infected and affected
- Community HIV and AIDS awareness

Care and Support Programmes

- **Support Group;** we have an active support group of 22 members which meets every month at the centre. This is the platform where PLWHA (people living with HIV and AIDS) share their fears, challenges and other problems relating to stigma and discrimination.
- **Garden project;** the centre has a wonderful vegetable garden to assist local needy households especially the child headed. We have 14 people working in that 2 hector garden.

Loveline Programme

- The partnership between ZDM and the Love life Trust is growing. This partnership was lobbied by the Hon. Mayor with an intention of improving the quality of healthy lifestyle of young people in Zululand.
- 10 youth is employed at the centre to implement the make your move campaign in school which is the concept of educating young people to assist them in making informed decisions and to eradicate teenage pregnancy.
- This year we enrolled 20 schools into the programme, 18 have finished and graduated.
- Zululand will be recruiting youth into the campaign for 2010

Orphans and Vulnerable Children

- The ZDM HIV and AIDS unit has established an intensive programme for orphans and other vulnerable children. This was the Hon. Mayor's initiative aimed at having a comprehensive approach into dealing with an increasing rate of orphans in the Zululand District as she hosts Christmas party for needy children annually and this will now grow into a sustainable programme than an event. Developmental screening of these children has started. The project will be officially launched in February 2010.
- **Dress a child Campaign;** Zululand normally distributes uniforms and other clothing for those children in needy of such. This year we have distributed to 250 children through the gogoGetta programme.

Records Section

The Zululand District Municipality has the Records section which controls the *inflow and the outflow of correspondences within the Council*. This office is regarded as a heart of an organisation because it links all Departments together by distributing their correspondences.

In order to keep records of correspondences received the Council has a file plan approved by the Provincial Archives which assist in arranging, referencing and sorting of the records/ files received or made by Council. There is also a *Registry Procedure Manual* which gives direction to all Administrators on how the Registry is functioning and what should they do to comply with the Registry culture.

To ensure that the Council secures sound records management which is appropriate for good governance which is effective and/ or efficiently administered, the Council has a **Records Management Policy** which gives us the direction on how we should handle our records accordingly.

In a filing process we have two systems of filing we are using which is the (*Manual filing and the Electronic record Management*). The manual filing is where we keep correspondences in a file containing reference number, date of file open, subject heading of the file, file volume and disposal date.

In *Electronic Records Management System* known as (Collaborator) we reference correspondence, scan it, receive it in an inbox, save it on Collaborator by giving a title or

subject heading written on the correspondence, then distribute the correspondence to the relevant personnel it will be automatically saved on collaborator for future referral.

Indonsa Arts and Crafts Centre based in Ulundi, voted as the best community arts centre in the KZN province has grown from strength to strength; helping the young and old acquire skills in fashion design, music (instruments) and visual arts at almost no cost. Six months training is offered upon application and trainees are offered intensive trainings and the training is mostly practicals. Some trainees after completing training they have secured life changing jobs and some have started their own business and co-operatives.

ACHIEVEMENTS

- Exposing and developing mostly artistically talent youths through very successful Umbele Wethu Cultural Competition (talent search).
- Being part of organizing the year end Ingoma Festival held annually.
- Indonsa has also organized throughout the district some events e.g rural horse riding competitions.
 - Grade 12 prescribed books as plays by the Playhouse company.
 - Indigenous games.
 - Hosting CD launch for Lungi M and Thembinkosi (gospel artists).
- Hosting and organizing the Department of Arts and Culture: Language services and poetry workshop and competition.
- Groups from the district to take part in Playhouse Company organized National Isicathamiya competitions and those groups were discovered by Indonsa.
- Indonsa Arts and Crafts Centre Manager Mr. R.M Gumede was chosen as the best student in the supervisory development course. He attended with DUT BSU NQF4.

CHALLENGES

- High demand for fashion design while space is limited to only 15 trainees per training.
- Low moral amongst Indonsa staff members since they are not employed permanently. (insecurity)
- Trainees taking advantage of low cost training even though it is of high quality.
- The centre to rely on grants for all its operational costs.
- Co-operation between the Provincial government and the Zululand District Municipality sometimes affects the smooth running of the centre.
- The Centre caters for people of quite a huge area.

2010 AND BEYOND

- Indonsa hopes to be part of 2010 World cup by exposing raw talent mostly in arts to all interested visitors.
- To add more programmes and to acquire equipment that can make the centre self sustainable.

PRINCE MANGOSUTHU BUTHELEZI AIRPORT

Background

A Strategy document was produced, and this resulted in the facility being transferred to the Zululand District Municipality with an implementation plan that was endorsed by both stakeholders of ZDM and Provincial Government.

Discussion

This inherited facility requires enormous funding to make it a catalyst and key driver of the District's IDP and LED programmes. The ZDM managed to scratch around for funds that were required to finalize the minimal rehabilitation that had been stated based on the R1.8m grant. Both projects have been finalized in principle i.e. Crack sealing on runway 05/23 has been done excluding thresholds, Taxiways and the secondary runway due to shortage of funds. The water proofing project could only take care of one portion of the building of which underlying maintenance requirements uncovered, received minimal and temporal attention also due to non- availability of funds, and the other building is left with water oozing through the roof and along the walls on rainy days.

Progress on Implementation of the Airport Strategic Objectives

The objectives are being implemented through the assistance of consultants from PR Africa with key issues being:

- Airport Management
- Building and site maintenance
- Local and regional tourism development and marketing

Airport Management

An organizational chart has been drawn as the proposed Management structure which is yet to be approved. It must be noted that there are posts that have been identified as critical and need to be filled to ensure compliance to SACAA regulations and the process is hindered by financial constrain.

Building and site Maintenance

It must be noted that the airport was transferred when it had deteriorated tremendously i.e. the infrastructure and buildings received minimal attention which will not afford an unqualified SACAA audit report due to funding shortage. Navigation equipment is being repaired but will also attract criticism by SACAA inspector since these have been identified as obsolete and need to be replaced with the DME already unserviceable due to unavailable required spares since manufactures no longer provide spares.

Electrical and drainage systems are receiving minimal attention on ad hoc bases also due to financial constrain with the drainage system posing constant problems denoting a need for major overhaul.

Local and regional tourism development and marketing

A detailed research document on industry research has been compiled which clearly indicate that the airport has great potential since there are airlines that show interest, flight schools that want to use this facility as well as aircraft maintenance companies that want to start such services here.

Capacity building and skills transfer

An operation Manual has been developed and staff members have started operationalising this document through the assistance by PR Africa Consultants.

Rescue and Fire Fighting team has been offered the opportunity to familiarize themselves with aircraft fires through doing a fire drill on the simulator at the Durban International Airport. Most staff members have attended a radio communication course i.e. PARTEK .

Airport Profile and Statics

The airport is used by dignitaries i.e. His Majesty the King, the President, the Premier, Prince MG Buthelezi, National and Provincial Ministers, renowned business people in the likes of Mr. Motsepe, renowned singer Alton John and dignitaries from other counties i.e. the President of Equatorial Guinea. Airport usage has slightly improved from being mostly used by Red Cross and EMRS. Since the opening of the new shopping centre, businesses like Build It, Rhino, Pick & Pay and the Mine, frequently fly in their aircrafts. Government institutions that have aircraft fleet of their own like South African Police Service and the Defence Force also frequently fly in their aircrafts. The figures for 2008/09 financial year are broken down as follows:

- July – September 2008 - 86 flights
- October—December 2008 – 62 flights
- January—March 2008 -- 77 flights
- April—June -- 104 flights

4.2. PLANNING AND COMMUNITY DEVELOPMENT



The Planning & Community Development Department is headed by Mr C Nel and comprises the following sections:

- Development Planning;
- Water Service Authority;
- Local Economic Development;
- Tourism; and
- Environmental Health Services.

The following functions of Council are performed within the Department:

- Integrated Development Planning;
- Local Economic Development;
- Water Service Authority;
- Environmental Health Services;
- Solid Waste Services;
- Municipal Airports (District);
- District Cemeteries; and Public Works

Development Planning

The Development Planning Section comprises of five staff members, and has absorbed some of the Planning Implementation and Management Support Systems (PIMSS) staff, after the PIMSS section was incorporated into the Municipal structure. The section is responsible for the following functions:

- Integrated Development Planning
- GIS
- Performance Management
- Land Reform

Integrated development Planning

The Zululand District Municipality has progressed significantly with refining strategies, objectives and projects for implementation in the current IDP. A new spatial approach towards services integration is followed, which will ensure adequate participation by all service providers. The IDP is increasingly becoming the tool for sustainable development within Zululand District Municipality.

Key achievements during this period include;

1.	Review, adoption and submission of the final 2008/2009 Integrated Development Plan to the MEC for Local Government and Traditional Affairs	July 2008
2.	Compilation, adoption and submission of the 2009/2010 Integrated Development Plan Process and Framework Plan to the MEC for Local Government and Traditional Affairs	August 2008
3.	Review, integration and alignment of District Development Strategies via the following structures and events; a) District Growth and Development Summit b) Integrated Development Plan Roadshows c) Integrated Development Plan Representative Forum d) IDP Planners Forums	October 2008 28 March – 02 April 2009 27 May 2009 July 2008 to June 2009
4.	Commencing with the implementation of the Gumbi	June 2008

	Formalisation Project	
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On-going projects and programmes begun during or prior to this period include;

1. Review of Integrated Development Plan (reviewed annually)
2. Compilation of an Energy Sector Plan
3. Review of the Public Transportation Plan

Geographic information systems

The ZDM GIS is a powerful tool for spatial planning, and is increasingly used in complex decisions by all municipalities within Zululand. The GIS is continuously expanding, and data verified on a regular basis to ensure that datasets are current. The ZDM has acquired new aerial photography that will enable the Municipality to make much better population projections, and pick up on various migration trends within the District.

A population study was completed in 2007, making use of aerial photography to determine the precise number of households within the Zululand District municipal area. The results of the study gave the municipality a powerful tool for future planning.

Performance Management

The Municipality is currently reporting on performance as prescribed in applicable legislation, with reporting done on a quarterly basis, for the municipality as well as for the Municipal Manager and the managers reporting directly to him.

The Performance Management Framework outlining the following activities was adopted prior to the beginning of this financial year;

1. Framework for development of the PMS
2. Process for setting and reviewing KPIs
3. Process for setting performance targets
4. Framework to track performance of staff and service providers
5. Development of a monitoring framework
6. Internal Controls

Key achievements during this period include;

Activity	Action	Date
Section 57 Performance Agreements	Signing by HODs and MM	31/07/2008
Review of the Performance Management Framework for the 2009/2010 financial year	Review and completion	28/05/2008
Review and or setting of KPIs and targets for the 2009/2010 financial year	Adoption by Council	28/05/2008
Reconciliation of performance	Performance Audit Committee	Quartely
Monitoring and review		On-going

Land Reform

Challenges on securing alignment and co-ordination of activities on this sector was challenging with the Department yet to finalise the Area Based Plan roll-out. The Department has participated with the District via the alignment structures including the IDP Planners Forum (technical), Growth and Development Summit plus the IDP Representative Forum.

Water Services Development Plan (WSDP)

The ZDM WSDP revision for 2009/10 has been completed and approved by Council on 29 May 2009. The ZDM WSDP revision for 2010/11 is underway and is earmarked for completion by December 2010. The following issues will be addressed in this revision:

- Water supply to schools and clinics;
- Refurbishment requirements of water and sanitation infrastructure;
- Updated 5-year implementation roll-out plan; and
- Updated statistics on eradication of backlogs.
- Alignment with recently completed Municipal Housing Plans and Area Based Planning Policies

Water Services:

The statistics at the end of June 2008 indicated that 52% (74 387hh) of households in the ZDM have been served with at least a basic RDP level of service. ZDM has allocated a further R176m (R106m from MIG funds and R70m from DWAF funds) towards the eradication of water backlogs for the current financial year.

Sanitation Services:

The statistics at the end of June 2008 indicated that 42% (59 785hh) of households in the ZDM have been served with at least a basic RDP level of service. ZDM has allocated a further R20m (MIG funds) towards the eradication of sanitation backlogs for the current financial year.

A principle decision has been taken to move towards pre-cast concrete VIP toilets. The main reasons are cost efficiency, durability and a shorter turn-around time for implementation. ZDM is currently in the process of tendering for suitable contractors to manufacture and supply units to various locations in the district. Local contractors will also be procured for the assembling of the toilets on site and to oversee the digging of the pits.

The sanitation programme is also seen as an opportunity for local job creation and the intention is to enter into a long-term contract with the preferred supplier of the VIP toilets to also set up at least two pre-cast concrete plants in the district. The purpose will then be for local contractors to be trained to eventually take over the operations of the plant to produce all the toilets and possibly also other pre-cast concrete products themselves. Local labourers will of course also be used extensively.

Capital Projects

The planning of capital projects to be implemented during the 2008/09 financial year is progressing well. The majority of projects are either in final design or tender stage, with a number of projects already under construction.

Water Services Provision

Monthly sessions are being held with the Water Services Providers (WSP's) in our district to monitor the status of water provision. The focus currently is to ensure that the water quality is acceptable at all schemes where a service is being rendered. The monthly water quality test results are being discussed and interventions agreed where necessary. The results are also being reported to DWAF on a national web-based system (eWQMS system).

Currently 16 water plants are being monitored in the district and the results indicate that the water quality at all 16 is acceptable, although one of the plants require further attention. This indicates to refurbishment requirements that need to be addressed as soon as possible to ensure that in future water quality can be sustained at the plant.

Policies and Bylaws

The Water Services Policy and Bylaws have been revised and approved by Council on 28 May 2008. The documents have been advertised publicly for comments but no comments have been received. The bylaws are now in the process of being promulgated.

WATER SERVICES AUTHORITY

Background

A water services authority is any municipality that has the executive authority to provide water services within its area of jurisdiction in terms of the Municipal Structures Act 118 of 1998. There can only be one Water Services Authority in any specific area.

Roles and Responsibilities

The primary responsibility for ensuring the provision of water services rests with Water Services Authorities. More specifically, Water Services Authorities have the following roles and responsibilities:

- i. ***Ensuring access*** – ensure the realisation of the right of access to water services, particularly basic water services (the first step up the ladder) subject to available resources by seeing that appropriate investments in water services infrastructure are made.
- ii. ***Planning*** – must prepare water services development plans to ensure effective, efficient, affordable, economical and sustainable access to water services that promote sustainable livelihoods and economic developments (stepping up the ladder).
- iii. ***Regulation*** – must regulate water services provision and water services providers within their areas of jurisdiction and within the policy and regulatory frameworks set by the Department of Water Affairs through the enactment of by-laws and the regulation of contracts.
- iv. ***Provision*** – must ensure the provision of effective, efficient and sustainable water services (including water conservation and demand management) either by providing water services themselves or by selecting, procuring and contracting with external water services providers. The provision of water

services also includes communication activities related to amongst other things, gender-sensitive hygiene promotion and the wise use of water.

- v. ***Duty to provide information*** – water services authorities have a duty to provide information concerning the provision of water services as reasonably requested by the Minister, National Water Services Regulator, the relevant province and consumers.

Number and cost to employer of all personnel associated with the Water Services Authority:

Personnel	Total	Cost to Employer
Professional	4	R 2 010 695.00
Field (Supervisors/Foreman)	1	R 351 677.00
Office (Clerical/Administration)	1	R 184 502.03
Contract	1	R 600 000.00

Water Services Development Plan (WSDP)

Part of the development objectives for Zululand District Municipality is facilitating the delivery of basic services that include water services (water and sanitation provision).

The importance of the vision and objectives in terms of the WSDP is the development of Zululand through the provision of equitable and sustainable water services leading to an improvement in the quality of life. It therefore follows that planning in respect of water services must increase the current level of service throughout the district with an improvement experienced by all.

Planning must therefore be sustainable in terms of water resources, material resources, contractor capacity, and management capacity as well as funding and maintenance cost.

The Zululand District Municipality WSDP for 2008/2009 was completed and approved by council in May 2008.

The following key issues were addressed by the 2008/2009 WSDP:

- Eradication of water backlogs through Regional schemes rollout and Rudimentary programme.
- Eradication of sanitation backlogs.
- Water supply to schools and clinics.
- Refurbishment requirements of water and sanitation infrastructure

BACKLOG OVERVIEW: WATER

Regional Schemes	Up to July 2008			Served up to July 2009 (>= RDP)		BACKLOG (Jul09)	Planned Implementation: 08/09	
	Not Served	>= RDP	TOTAL	RWSS	RUD Program	Not served	>= RDP	
Coronation	3,958	2,654	6,612	Bulks	0	3,958	Bulks	Funding al what was i
Hlahlindlela	4,550	21,804	26,354	Bulks	450	4,100	Bulks	In progress
Khambi	3,194	1,804	4,998	250	75	2,869	321	In progress
Mandlakazi	12,680	985	13,665	199	0	12,481	286	Initial dela appointme
Mkhuze	1,972	9	1,981	Bulks	49	1,923	-	In progress
Nkonjeni	9,944	15,618	25,562	1,074	635	8,235	3,377	Initial dela appointme
Sim Central	2,094	4,069	6,163	Bulks	226	1,868	Bulks	In progress
Sim East	1,754	11,114	12,868	-	0	1,754	700	Implement Itshelejuba
Sim West	2,847	10,834	13,681	Bulks	102	2,745	Bulks	In progress
Usuthu	25,163	5,496	30,659	949	1094	23,120	4,228	Funding al what was i
TOTAL	68,156	74,387	142,543	2,472	2,631	63,053	8,912	
						Served (08-09)	5,103	
						Planned HH in WSDP	8,912	

BACKLOG OVERVIEW: SANITATION

Regional Schemes	Up to July 2008				Served up to July 2009 (>= RDP)	BACKLOG (Jul09)	Planned Implementation: 08/09	
	> RDP (Urban)	RDP (VIP)	Not Served	TOTAL	Rural San Project	Not Served	Rural San Project	
Coronation	3,150	862	2,600	6,612		2,600	-	
Hlahlindlela	14,916	592	10,846	26,354	0	10,846	2,849	Ubhukosi appointed implementation: ap of new contractors
Khambi	279	1,529	3,190	4,998		3,190	-	
Mandlakazi	-	3,470	10,195	13,665	357	9,838	809	ZAI appointed as co some delays in the i good.
Mkhuze	20	-	1,961	1,981		1,961	-	

Nkonjeni	6,772	1,125	17,676	28,573	300	17,376	600	ZAI appointed as co-ordinator, but experienced some delays in the implementation of the project.
Sim Central	906	3,154	2,092	6,152		2,092	-	
Sim East	3,191	3,839	5,838	12,868		5,838	-	
Sim West	6,650	363	6,668	13,681		6,668	-	
Usuthu	990	5,978	23,691	30,659	727	22,964	1,554	ZAI appointed as co-ordinator, but experienced some delays in the implementation of the project.
TOTAL	36,874	20,911	84,758	142,543	1,384	83,374	5,812	
					Total Served (08-09)	1,384		
					Planned HH (08-09)	5,812		

Funding requirements to eradicate backlogs

Regional Scheme	Water	Sanitation
Nkonjeni	R 405,399,995	R 67,060,000
Usuthu	R 1,365,603,561	R 112,625,000
Mandlakazi	R 586,396,265	R 48,695,000
Mkhuze	R 22,345,835	R 2,600,000
Simdl East	R 37,715,519	R 14,740,000
Simdl Central	R 115,482,888	R 13,865,000
Simdl West	R 82,093,716	R 1,460,000
Khambi	R 109,136,433	R 8,765,000
Coronation (Enyathi)	R 182,999,193	R 9,020,000
Hlahlindlela	R 216,872,820	R 50,260,000
TOTALS	R 3,124,046,225	R 329,090,000

Total cost of infrastructure to eradicate backlogs	R3.5bn
MIG (Next 3 years) 09/10 – 11/12	R577m
DWAF (Next 3 years) 09/10 – 11/12	R89m
Total Funding (Next 3 years)	R666m
Shortfall to eradicate backlogs – 2014	R2.2bn

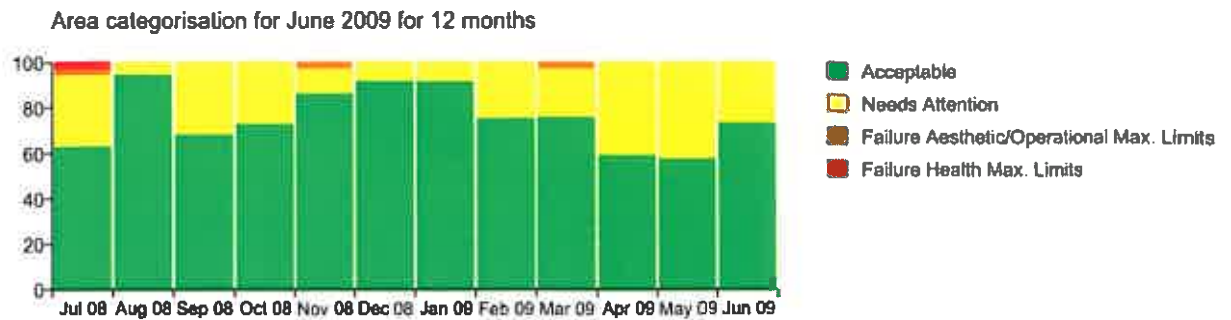
Water Services Provision

Monthly sessions are being held with the Water Services Providers (WSP's) in our district to monitor the status of water provision. The focus currently is to ensure that the water quality is acceptable at all schemes where a service is being rendered. The monthly water quality test results are being discussed and interventions agreed where necessary. The results are also being reported to DWAF on a national web-based system (eWQMS system).

The graph below shows the overall water quality in the Zululand District Municipality.

Water Quality Report

Overall quality of water in the Zululand District Municipality for the period: July 2008 to June 2009

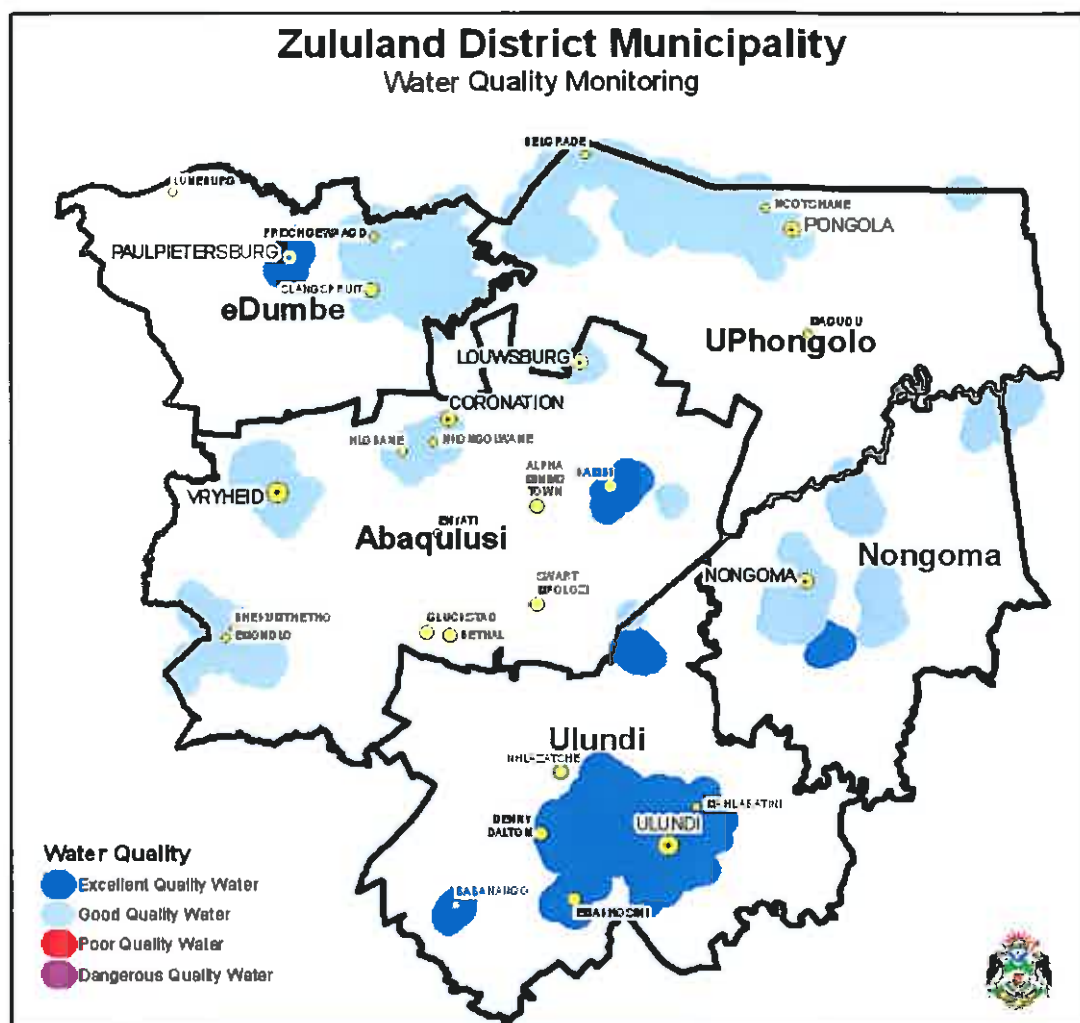


The score for the above graph is based on SANS 241, which highlight issues related to key bacteriological, physical and chemical parameters monitored in our area of concern. The failures/operational alerts recorded over the past 12 months are largely aesthetic in nature; this affects the appearance, and thus the aesthetic acceptability of water. These aesthetics include Manganese, Iron, Zinc, Calcium levels as well as turbidity. Although operational limits have been exceeded, only water appearance is affected there are no health effects. Steps are being taken to address the treatment processes to ensure that all water quality complies with standards set.

Policies and Bylaws

The Water Services Policy and Bylaws were last revised and approved by Council on 28 May 2008.

PERFORMANCE HIGHLIGHTS:



Achievements:

- Approval of WSDP for 2009/2010 in May 2009.
- Planning of capital projects to be implemented in 2009/2010 is well in advance.
- Switched from year to year planning to multi-year planning, whereby projects to be implemented for the next year and beyond have been designed, business plans approved and tender documents prepared and ready for implementation. This eliminates the “stop-start” of previous years and enables continuous momentum with the implementation and roll-out of projects.
- WSP Reporting has commenced and a series of operational reports have been compiled. Information from reporting becomes useful and is starting to influence management decisions, in other words information systems are starting to add value.
- Water quality results have improved dramatically through more efficient management and operations of treatment plants. Water quality reporting system contributed towards managing this process.
- Asset database (MANZI) has been populated and asset information can be viewed by all.

Challenges:

- Number of new staff appointed and will require time to adjust and become fully effective.
- Lack of forward planning for urban areas must be addressed. Consultants are in place and focus must be in urban areas – especially refurbishment requirements of infrastructure. This must be used to source for refurbishment funds outside of MIG.
- Sewage master planning for the district have been lacking and need to be addressed.
- Status of water supply to schools, clinics and hospitals to be finally confirmed and strategy finalised how backlogs will be addressed to these institutions.
- Water supply efficiency to be increased to obtain blue-drop accreditation.
- Asset management system to become operational whereby daily work done by maintenance staff and contractors are being captured on the system and asset information is kept up to date.
- Roll-out of an unaccounted for water programme to understand fully how much water is produced, metered and billed and where possible unaccounted for losses may occur.

TOURISM REPORT

Zululand Tourism in 2009 ... where do we stand? All studies done on district level clearly indicated that for Zululand, tourism is a key factor. It is one of the two legs on which development in Zululand stand the other being agriculture.

The Zululand Tourism Office is now comfortably settled in the Ulundi Airport Centre. Looking ahead at tourism development in the future the Airport complex in Ulundi is ideal.

The Ulundi Tourism Hub at the airport is a new project flowing from the above statement. Whereas in the past flights into Ulundi mainly carried government officials of all kind this will indeed change. The process has already started and although the Tourism Hub is still on the planning desks, flights of totally different kind are flying into Ulundi. During the past year medical teams are flying in on a daily basis and the honourable State President had on a number of occasions flown in with the presidential airplane. A totally new happening in and around Zululand.

School Group visits to the Zululand Tourism Office at the airport building are growing from month to month. The tourism office during the last few months has been host to school groups coming from as far as Ingwavuma, Newcastle and also more and more local Zululand schools. This is building an awareness of tourism which was unknown in the past, the fruits of which will be seen in the future.

Tourism Staff. The status quo remains and only 2 staff members, Gustav Röhrs and Bheki Zwane manage the office. One student at a time, doing practicals to complete their tourism diploma studies, complete the "Three Musketeers"

Local Tourism Structures are in place and getting these to run more efficiently remains a main objective. In Ulundi where a local tourism office has been lacking for some 2 years a post has been created and we trust that Ulundi will shortly join the other 4 municipalities each having its local tourism office.

Local tourism budgets are on the books but these still have to be worked on intensively. When development plans state that tourism is one of the key development legs within an area then the entire structure... and budget... should reflect this. This is a field that calls for urgent attention, looking ahead at projects such as 2010, the Route 66 tourism development, the huge Golela Border Post development bringing tourists directly into Zululand, the Emakhosini Heritage Park etc. etc.

Key Tourism Events in Zululand are growing year by year and these include i.e.

- Zulu Royal Reed Dance at Enyokeni
- Monthly Mona Market outside of Nongoma
- Annual Mayfair in Vryheid
- Tiger fishing Bonanza on the Pongola Poort Dam
- Ithala Canoe Challenge starting at the oBivane Dam

- Annual Innie Rietfees in uPhongolo
- Ulundi – Nongoma Marathon

KwaZulu Natal has 5 **Tourism Gateways** entering the province and of these 2 are on the Zululand border ie Golela Border Post and the Piet Retief Gateway. At the Golela Border Post a huge brand new multi million Border Gate project is in progress and building is expected to be completed before end of this year. In this complex a Tourism Gateway (information desk) will be a big plus for tourists looking for information, entering Zululand and KZN.

Tourism Routes in and into Zululand got an important addition when Route 66 (The Zululand Heritage Route) was launched at the beginning of September. This adds a key third leg to the existing KZN Battlefields Route and the Zululand Birding Route which have been operational for several years. The new Route 66 turns off the N2 at uPhongolo and runs along the R66 via Nongoma/Ulundi/Melmoth/Eshowe until it again joins the N2 at Gingindlovu. This is a route focusing on Zulu culture, history, its people and many other attractions you will find nowhere else.

One facet of the Route 66 project that calls for urgent attention is to get the short stretch of road (some 21 km) between uPhongolo and Nongoma tarred as soon as possible. Currently this un-tarred portion effectively blocks all tourism bus traffic from entering Zululand from the north, causing the tourism industry to loose out immensely.

Tourism Shows. Zululand tourism forms an important part of the provincial tourism marketing programme and for that reason Zululand Tourism forms part of the provincial tourism stand at the 5 major national tourism shows... making sure that Zululand stays on the South African tourism map!

For tourism, and in particular international tourists, the name or brand ZULULAND is a must-visit when touring South Africa. Flowing from this key brand an invitation was received to partake in the annual **Swiss International Holiday Exhibition in Lugano Switzerland** at the end of October 2009.

This is a unique opportunity indeed for Zululand to capitalize on its reputation as an important tourism destination in South Africa. Zululand and more specifically Zululand Tourism has become a part of the international tourism menu indeed.

Siyaphambili...we are going forward ...this is what we are aiming at from the Zululand tourism office's side and we are committed to work towards our target!

ENVIRONMENTAL HEALTH

Municipal Health function is preventative in nature and seeks to protect humans from contracting diseases from the environment they live in.

The National Health Act, 2003 (Act No.61 of 2003) defines Municipal Health Services As

- (a) Water Quality Monitoring
- (b) Food Control
- (c) Waste Management
- (d) Health Surveillance of Premises
- (e) Surveillance and Prevention of Communicable diseases, excluding immunizations
- (f) Vector Control
- (g) Environmental Pollution Control
- (h) Disposal of the dead, and
- (i) Chemical Safety

The municipal Health Services section consists of a staff component of 3 Environmental Health Practitioners, 2 for Ulundi office and one in Vryheid office. The primary function of this section is to monitor and ensure compliance with standard on all environmental issues that range from the abovementioned scope of practice.

The transfer of Provincial Environmental Health Practitioners is still outstanding and the service delivery is still fragmented and it will remain like that until the transfer is concluded.

ACHIEVEMENTS

1. Training of food caterers

08/09 financial year was very successful as an intense health education was conducted to food caterers within Zululand District Municipality. Education was conducted in the following four local,

- (a) Edumbe Local Municipality
- (b) Abaqulusi Local Municipality
- (c) Pongola Local Municipality
- (d) Nongoma Local Municipality

2. Food Monitoring (Mass Functions)

A lot of stride was done in monitoring the food caterers in all the functions where a large number of communities attended and catered for. Since we started with the monitoring, no food poisoning incidence had been reported.

3. Disposal of the Dead

The Zululand District Municipality policy on pauper burial has been helpful to the forensic mortuaries and the District as a whole. The number of people buried as pauper in the past year has significantly increased. The following is the number of pauper burial per local municipality,

No	LOCAL MUNICIPALITY	No. OF BODIES BURIED
1	Ulundi Local Municipality	0
2	Nongoma Local Municipality	02
3	Pongola Local Municipality	11
4	Abaqulusi Local Municipality	05
5	eDumbe Local Municipality	0
		18

The table below reflects all the duties performed by Environmental Health Practitioners within the Zululand District Municipal Area.

No.	Work Items	No. of Inspections/Attendance	Action
1	Food Cateresses Training	112	Health Education on food handling
2	Education on food handling and safety	45	Reports were written to all those premises
3	Complaints received	10	All attended to, and some premises were issued with notice
4	Crèche inspection and Senior Citizen Clubs	20	Inspections were done, and report written
5	Mortuary Inspection	08	Inspections were done, and report written
6	Business license application	05	Report forwarded to the responsible authority
7	Pauper burials	18	Arrangements for the burial of the deceased were made
8	School inspection	01	Letters written to Dept of Education
19	Food premises issued with COA	34	Inspection of food premises
10	Funeral Parlors issued with COC	03	Inspection of funeral parlors
11	Street Vendors	45	Health education on cleanliness and refuse removal
12	Condemnation of food stuff	1475.35Kg & 17.63 Liters	Safe disposal of foodstuff

13	Bed & breakfast/Lodge	07	Letters written to the owners
14	Food handling premises	14	Health education and written notices
15	Meat inspection	875	Carcasses were inspected and condemnations were made

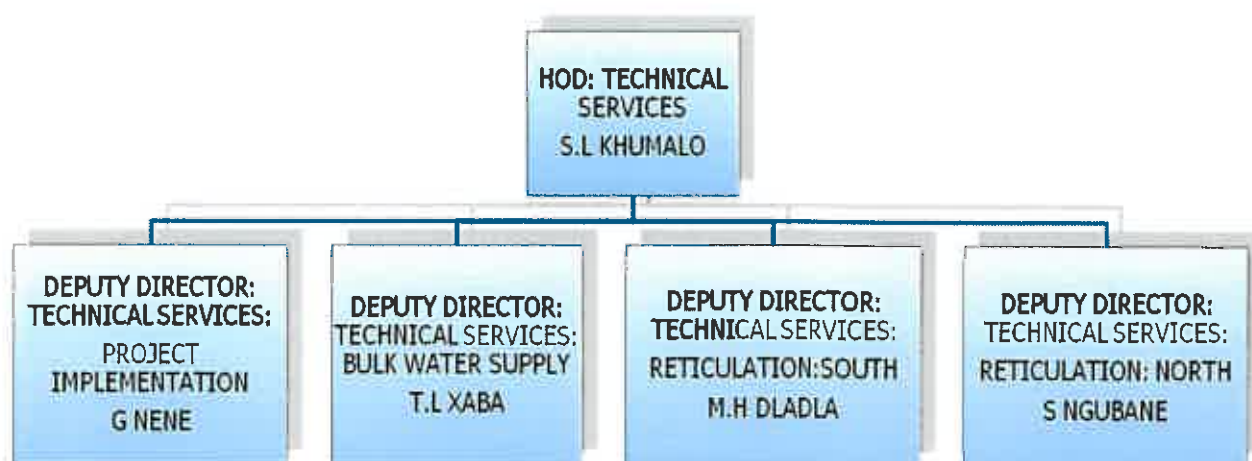
4.3. TECHNICAL DEPARTMENT



The Technical Department is headed by Mr.S.L Khumalo. The Technical Department is divided into three main divisions, viz:

- Project Management Unit (PMU)
- Bulk Water and Wastewater Management
- Rural and Urban Reticulation

ORGANOGRAM FOR THE SENIOR MANAGEMENT: TECHNICAL SERVICES DEPARTMENT:



The strategic objective for the Technical Services Department is to progressively provide cost effective, reliable water services of good quality to all potential consumers in the district.

The core function of the Technical Department is therefore:

- To implement the new infrastructure (Water and Sanitation).
- Operation and Maintenance of the secondary bulk and reticulation.
- Management, Operation and Maintenance of Bulk Water and Waste Water Infrastructure.

The key issues for 2008/2009 are listed as follows:

- To improve on the percentage of households with access to basic level of water.
- To improve on the percentage of households with access to basic level of sanitation.
- To improve on the number of required water quality tests conducted (samples).
- To reduce number of plant days down time.
- To improve on average response time to rectify breakage in service
- To improve on percentage of households earning less than R1100 pm with access to free water (Note: Rudimentary LOS included).
- To improve on percentage of households earning less than R1100 pm with access to free sanitation.
- To improve on communication with customers on planned interruptions before disruptions occur.
- To improve on communication with customers on unplanned interruptions .
- To improve on time taken to respond to customer queries.
- To ensure that 100% of MIG grant fund is spent within the financial year.

4.3.1 PROJECT MANAGEMENT UNIT (PMU)

The Project Management Unit is responsible for the implementation of all the capital projects in the district. The unit has a total of 6 technical officers, two Institutional Social Development Officers (ISDO) and a Senior Project Administrator.

Employees	Number	Cost to Employer
Professionals	10	R 2,526,743.60

The current total Business Plans approved by the Municipal Infrastructure Grant (MIG) is in excess of R 1,541,959,888.40 and this makes Zululand District Municipality to be at least having committed projects for more than eight (8) years ahead, considering the current rate of MIG fund allocation which is approximately R180,000,000.

#	BP Name	MIG No.	BP Value	Exp	Balance
1	Nkonjeni Regional Water Supply Scheme Phase 1	2004MIGFDC260002	36,391,983.00	36,391,982.71	0
2	ZDM Clinic Sanitation Project	2005MIGFDC260003	6,017,716.00	4,664,805.09	1,352,910.90
3	Rudimentary Water Supply Programme PH 2	2005MIGFDC260005	65,753,900.00	57,147,074.84	8,606,825.20
4	Mandlakazi Regional Water Scheme Phase 2B	2005SMIFDC260001	6,772,309.00	5,266,533.08	1,505,775.90
5	Hlobane Sports Field	2006MIGFDC26112022	16,370,000.00	2,612,200.24	13,757,799.80
6	Nkonjeni Regional Water Supply Scheme Ph 2	2006MIGFDC26102044	75,296,406.93	23,245,883.26	52,050,523.70
7	Ulundi Sports Phase 5	2006MIGFDC26113956	5,200,000.00	5,067,552.30	132,447.70
8	Usuthu RWSS Phase 4	2006MIGFDC265319	25,059,986.00	23,989,526.47	1,070,459.50
9	Usuthu RWSS Phase 3	2006MIGFDC265325	89,093,640.00	2,421,360.00	86,672,280.00
10	Usuthu RWSS Phase 2	2006MIGFDC265328	32,483,514.00	3,020,454.63	29,463,059.40
11	Usuthu RWSS Phase 1	2006MIGFDC265329	96,259,053.00	15,232,256.86	81,026,796.1
12	Mandlakazi RWSS Phase 2C	2006MIGFDC265331	22,120,203.00	17,817,072.93	4,303,130.10
13	Simdlangentsha Central RWSS Ph 2	2006MIGFDC265332	30,366,875.54	21,576,523.05	8,790,352.50
14	Khambzi RWSS Water Supply	2006MIGFDC265333	23,704,261.00	20,159,912.61	3,544,348.40
15	Hlahlindlela/ Mondlo Regional Water Supply	2006MIGFDC265334	167,579,680.00	31,602,815.11	135,976,864.90
16	Simdlangentsha East RWSS Phase 1	2006MIGFDC265336	25,683,733.70	2,306,393.91	23,377,339.80
17	Simdlangentsha West RWSS Phase 2.1	2006MIGFDC265339	59,477,291.00	34,504,274.83	24,973,016.20
18	Mona Sports Field	2006MIGFDC265341	19,500,000.00	3,030,664.15	16,469,335.90
19	Coronation RWSS Enyati (AFA) MIS 155365	2006MIGFDC265351	34,927,055.48	18,832,419.67	16,094,635.80
20	Emergency Alteration to the Zondela Sewer Outfall	2008MIGDC26123070	977,846.27	716,328.82	261,517.20
21	Nkonjeni RWSS MIG Phase 3 (Central)	2008MIGDC26165025	27,715,450.00	7,840,939.40	19,874,510.60
22	Gumbi Emergency Water Supply	2008MIGDC26165601	26,464,362.00	5,318,420.97	21,145,941.00
23	ZDM Rural Sanitation Phase 01	2008MIGFDC26156876	195,891,411.00	12,054,433.95	183,836,977.10
24	Mandlakazi Regional Water Supply Scheme (Ph 4)	2008MIGFDC26162234	125,793,218.00	251,855.47	125,541,362.50
25	Ulundi Unit M Water and Sanitation Phase 2	2006MIGFDC26163062	1,085,602.39	505,959.88	579,642.50

26	Emondlo sports field	2008MIGFDC26165006	13,299,314.00	555,282.88	12,744,031.10
27	Nkonjeni Regional Water Supply Scheme Phase 04	2009MIGFDC26171057	310,103,565.51	0.00	310,103,565.51

In 2008-2009 financial year an allocation of R133 million was received from MIG and was successfully spent 100% by the end of March 2009.

The largest percentage, 90.5%, was spent on water, 8% was spent on sanitation and 1.5% on sporting facilities. The large amount of money is currently spent in the development of bulk infrastructure and as the bulk line passes communities, reticulation networks are installed. Where the communities are experiencing acute shortage of water, the rudimentary programme is in place to bring relief and where there are no reliable sources, water tankering is taking place.

Zululand District Municipality, for sustainable water supply, is divided into ten (10) regional schemes with reliable water sources. MIG allocations over a period of three years, per regional scheme, are tabled as follows.

Name of the regional scheme	Allocation for financial year 09/10	Allocation for financial year 10/11	Allocation for financial year 11/12
Nkonjeni Regional Water Supply Scheme	R 22,703,000	R 28,330,000	R 33,169,000
Usuthu Regional Water Supply Scheme	R 27,330,000	R 30,360,000	R 36,430,000
Mandlakazi Regional Water Supply Scheme	R 17,770,000	R 21,690,000	R 23,680,000
Rudimentary water supply programme ph2	R 3,181,000	R 3,886,000	R 4,240,000
Simdlangentsha East Regional Water Scheme	R 5,466,000	R 6,672,000	R 9,286,000
Simdlangentsha Central Regional Water Scheme	R 7,056,000	R 6,672,000	R 9,286,000
Simdlangentsha West Regional Water Scheme	R 5,466,000	R 6,672,000	R 9,286,000
Khambi Regional Water Scheme	R 5,466,000	R 6,672,000	R 9,286,000
Coronation/Enyathi Regional Water Scheme	R 7,804,000	R 8,341,000	R 9,286,000
Hlahlindlela/eMondlo Regional Water Scheme	R 13,194,000	R 16,196,000	R 15,446,000
Rural Sanitation	R 31,810,000	R 34,830,000	R 45,400,000
Zondela Sewer Outfall	R 500,000	-	-
Sportsfield	R 9,543,000	R 13,591,000	R 14,840,000
Gumbi Emergency	R 4,099,000	R 5,004,000	R 7,464,000
MIG TOTAL/ FIN YR	R 161,388,000	R 188,916,000	R 227,099,000

The MIG expenditure for the financial year 08/09 (July 08 to June 09) is listed below in the table per regional scheme:

Name of the regional scheme	Brief project description	Total expenditure 08/09
Nkonjeni Regional Water Supply Scheme	Construction Reservoir, reticulation, bulk pipeline	R 24,736,402.00
Usuthu Regional Water Supply Scheme	reservoirs, bulk pipeline	R27,033,452.00
Mandlakazi Regional Water Supply Scheme	Construction of a reticulation pipeline,	R 5,945,478.3
Rudimentary water supply programme Ph2	Construction of reticulation, reservoirs, drilling of boreholes,	R18,912,140.83
Gumbi Emergency	Pump station, rising main	R6,469,588.33
Simdlangentsha East Regional Water Scheme		R0
Simdlangentsha Central Regional Water Scheme		R0
Simdlangentsha West Regional Water Scheme	Construction of reticulation, reservoir	R3,930,907.66
Emergency to Zondela Sewer Outfall	Sewer	R 842,339.17
Rural Sanitation	Material supply and implementation	R 10,772,920.52
Khambi Regional Water Scheme	Construction of a reticulation and pump station	R3,259,941.69
Coronation/Enyathi Regional Water Scheme	Construction of bulk water and sewer.	R8,290,016.32
Hlahlindlela/eMondlo Regional Water Scheme	Construction of water treatment plant.	R5,239,017.97
Sporting Facilities(Ulundi, Mona, Hlobane & Swimming Pool)		R1,969,499.30

Listed below are the house hold figures achieved by individual regional scheme during the year 08/09 financial from July 2008 to June 2009.

Name of the regional scheme	Households benefited (yard connections)	Households benefited (community standpipes)
Nkonjeni Regional Water Supply Scheme	381	1589
Usuthu Regional Water Supply Scheme	387	445
Mandlakazi Regional Water Supply Scheme	0	97
Simdlagentsha West Regional Water Scheme	102	
Khambi Regional Water Scheme	75	
Hlahlindlela/eMondlo Regional Water Scheme	450	
TOTAL	1395	2131

The expenditure for the MIG funded projects for the quarters is tabled below.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 5	TOTAL EXP
April - June	Jul – Sept	Oct - Dec	Jan - Mar	Apr- Jun	
R 10,986,129.5	R 15,897,397.1	R 47,538,993.9	R 59,401,205.8	R 22,477,737.7	R 156,301,464.0

ZDM FUNDED CAPEX PROJECTS

Local	School	Sanitation	Crèches	Fencing	Halls/Taxi Ranks	Sports Facility
Nongoma	R 500 000	-	R 460 000	R 200 000	R 200 000	-
Edumbe	-	-	R 400 000		R 100 000	-
Pongola	R 260 000	-	R 600 000		R 750 000	-
Abaqulusi	R 750 000	-	R 200 000	R 60 000	R 750 000	-
Ulundi	-	-	R 1 000 000	R 80 000	R 3,250,000	-

Coronation/Enyathi – Waste Water treatment works : Sewer ponds under construction



Coronation/Enyathi – Waste Water treatment works :
Sewer pond emergency overflow



Coronation/Enyathi – Waste Water treatment works : **Sewer septic tanks**



Reservoir at Masokaneni



Coronation/Enyathi – Water treatment works: Clarifier



Coronation/Enyathi – Water treatment works : High lift pumps



Coronation/Enyathi – Water treatment works: Filter pumps



Coronation/Enyathi – Water treatment works



Inkosi Buthelezi Hall



Traditional Leaders Facility at Ulundi



4.3.2 WATER SERVICES PROVISION URBAN & RURAL RETICULATION

This division deals with the reticulation of water from bulk services, attending to all operation and maintenance of the water infrastructure in both urban and rural areas. It also manages the emergency water/drought relief programme.

Currently all urban areas are serviced with water and sanitation. They are mostly metered and also receive the 6 kilolitre Free Basic Water.

The cost of staff complement to the department is as follows:

Personnel	Total	Cost to Employer
Professional	13	R 4,394,882.98
(Supervisors/Foreman)	3	R 3,995,120.80
Office (Clerical/Administration)	2	-
Non-professional (Blue collar, outside workforce)	63	R 4,393,041.00
Temporary	0	-
Contract	175	R 1,566,000.00

Water control and management

In the financial year 2008/9, utility meters were introduced so that water required by the consumer could be measured either on daily or monthly quantities as preferred by the consumer. Those who want to be limited to FBW that can also be provided on daily or monthly basis.

The schemes in the rural areas are not metered as they are considered to be consuming water less than the FBW. Zone meters have been installed to monitor the above situation and if the consumption indicate viability of metering water, that will be considered in the due course. Currently, there are six reaction teams and contract ZDM 591/2007 is in place with a roster of service providers to provide emergency repairs to infrastructure.

Schedule of water schemes

The following tables indicate the schedule of water schemes per Regional Water Scheme.

Regional Water Supply Scheme	Stand alone Water Supply Schemes
Nkonjeni RWSS	48
Usuthu RWSS	43
Mandlakazi RWSS	31
Gumbi/Candover RWSS	2
Simdlagentsha East RWSS	18
Simdlagentsha Central RWSS	10

Simdlangentsha West RWSS	20
Corronation RWSS	
Khambi RWSS	18
Hlahlindlela RWSS	23

Water Consumption

Local Municipality	Consumption (kl)	Revenue Received
Ulundi	2, 519, 316	R 11, 606, 193.15
Nongoma	12, 485, 658	R 2, 009, 652.71
Uphongolo	285, 516	R 2, 104, 324.81
Edumbe	569, 764	R 1, 082, 804.34
AbaQulusi	-	-
Totals	16 220 254	R 16, 802, 975.01

Drought Relief

Despite the rudimentary programme that is in progress, water tankers had to be deployed to those areas with acute shortage of water:

Local Municipality	No. of Trucks	Water Delivered PA (Kilolitres)	Total Cost
Ulundi	5	108, 000	R1, 635, 676.06
Nongoma	10	977,220	R7, 439, 376.38
Uphongolo	2	1,440,000	R1, 754, 410.04
Edumbe	1	720,000	R1, 391, 803.62
Abaqulusi	1	720,000	R1, 495, 844.56

	Mayibuye Ulundi	Mayibuye Abaqulusi	Mayibuye eDumbe	CrossMoore Nongoma	TMS Trucks uPhongolo	Trucks Supervisor
Jul 2008	R 161,935.77	R 62,696.91	R 72,296.02	R 364,931.13	R 118,812.16	R 12,500.00
Aug 2008	R 129,311.34	R 70,021.50	R 44,953.29	R 475,816.24	R 129,873.81	R 12,500.00
Sep 2008	R 84,713.23	R 68,846.33	R 65,821.33	R 323,519.19	R 154,453.08	R 12,500.00
Oct 2008	R 141,492.57	R 128,021.00	R 130,115.93	R 306,262.48	R 157,627.38	R 12,500.00
	New Contract					
	Mayibuye Ulundi	Mayibuye Abaqulusi	Mayibuye eDumbe	Midmar Nongoma	TMS Trucks uPhongolo	Trucks Supervisor
Nov 2008	R 126,411.75	R 130,676.13	R 125,772.21	R 322,405.68	R 142,288.42	R 12,500.00
Dec 2008	R 134,594.10	R 68,998.50	R 127,227.88	R 490,430.28	R 155,469.23	R 12,500.00
Jan 2009	R 150,423.00	R 172,753.78	R 132,162.94	R 741,989.52	R 150,051.41	R 12,500.00
Feb 2009	R 142,120.95	R 145,946.22	R 107,670.95	R 1,209,071.46	R 150,101.61	R 12,500.00
Mar 2009	R 141,066.45	R 172,943.93	R 141,843.13	R 749,054.10	R 134,912.02	R 12,500.00
Apr 2009	R 137,039.40	R 178,871.02	R 136,602.10	R 764,088.42	R 154,257.87	R 12,500.00
May 2009	R 146,256.30	R 198,841.00	R 155,318.16	R 964,034.16	R 164,691.19	R 12,500.00
Jun 2009	R 140,311.20	R 97,228.24	R 152,019.68	R 727,773.72	R 141,871.86	R 12,500.00
Totals	R 1,635,676.06	R 1,495,844.56	R 1,391,803.62	R 7,439,376.38	R 1,754,410.04	R 150,000.00
Sub Total	R 13,867,110.66					

4.3.3 BULK WATER SUPPLY AND WASTEWATER MANAGEMENT

The core function for Water Services Provision Bulk is to ensure that water and wastewater infrastructure is managed properly in order to produce a cost effective and class one (1) quality of water as required by the Department of Water and Environmental Affairs (DWEA). It is also to Operate and Maintain the Bulk Infrastructure in order to minimize down time.

The above is carried out in all Local Municipalities with the exception of Abaqulusi Municipality's Urban water and waste infrastructure.

Number and cost to employer of all personnel associated with the bulk water distribution and wastewater discharge function:

Personnel	Total	Cost to Employer
Professional	1	R 514,000.00
Field (Supervisors/Foreman)	9	R 920,000.00
Office (Clerical/Administration)	1	R 125,049.00
Non-professional (Blue collar, outside workforce)	121	R 1,973,036.37
Temporary	7	R 689,425.00

Total water production per month per plant

PLANT FLOWS

	Water Works	Plant Flow	Plant Flow	Actual Flow
		kl/month	kl/Year	kl/Year
1	Belgrade Water Treatment Works	27,000	324,000	187,691
2	Frischgewaagd Water Treatment Works	35,000	420,000	*41,093
3	Mpungamhlope Water Treatment Works	17,000	204,000	131,905
4	Vuna Water Treatment Works	130,000	1,560,000	1,321,290
5	Ulundi Water Treatment Works	580,000	6,960,000	6,609,158
6	Imbile Water Treatment Works	7,200	86,400	*84,872
7	Itshelejuba Hospital Water	3,900	46,800	

	Treatment Works			*-86260
8	Thulasizwe Hospital Water Treatment Works	3,700	44,400	*-534883
9	Ceza Water Treatment Works	10,500	126,000	124,549
10	Enyokeni Palace Water Treatment Works	750	9,000	9,106
11	Khangela Palace Water Treatment Works	370	4,440	3,292
12	Babanango Water Treatment Works	17,000	204,000	107,525
13	eDumbe Water Treatment Works	66,000	792,000	789,920
14	Pongola Water Treatment Works	250,000	3,000,000	1,882,468
15	Spekboom Water Treatment Works	29,000	348,000	74,7150
16	Mvuzini Water Treatment Works	7,000	84,000	78,836
17	Ophuzane Water Treatment Works	9,000	108,000	105,532
18	Tholakele Water Treatment Works	7,000	84,000	39,188
19	Msibi Water Treatment Works	900	10,800	23,796
20	Khiphunyawo Water Treatment Works	14,000	168,000	45,260
21	Nkosentsha Water Treatment Works	2,500	30,000	28,678
22	Mandlakazi Water Treatment Works	22,000	264,000	215,366
23	Osingisingini Water Treatment Works	1,500	18,000	17,300
24	Sidinsi Water Treatment Works	2,000	24,000	22,164
25	Kombuzi Water Treatment Works	3,000	36,000	30,492
26	Mountain View Water Treatment Works	2,500	30,000	25,399
27	Makhosini Water Treatment Works	10,000	120,000	*61,876
28	Purim Water Treatment Works(1 month)	4,000	4,000	4,000
29	Masokaneni Water Treatment Works(3 months)	500	1,500	1,430

* There had been some faulty meters and others were replaced with new meters, readings are not accurate.
Small schemes that are supplied by boreholes are omitted.

Total volume and cost of bulk water purchases:

	Raw water (kℓ)	Purified, Water (kℓ)	Cost (R)
Impala Irrigation	3,300,000		R 1,183,159.25
Abaqulusi Municipality		13 470	R 60,618.94

Expenditure on Operation and Maintenance of Bulk infrastructure:

	Operations	Maintenance	Refurbishment and Assessment	Total
Water Plants	R 14,621,848.74	R 7,607,142.86	R 6,613,792.73	R 28,842,784.33
Wastewater Plants	R 2,778,151.26	R 912,857.14	R 661,379.27	R 4,352,387.67
				R 33,195,172.00
Treatments (Water & Wastewater)				R 3,249,928.00
				R 36,445,100.00

Power Supply Expenses (ESKOM) Consumption

Zululand District Municipality spent **R 7,913,901.26** on Eskom electricity in water plants, sewage plants, raw water pumps, booster pumps and borehole pumps etc throughout the entire district.

LOCAL MUNICIPALITY	EXPENDITURE 2008/2009
Ulundi Municipal Area	R 1,556,757.29
Nongoma Municipal Area	R 1,700,229.25
Phongolo Municipal Area	R 550,578.27
Edumbe Municipal Area	R 268,729.94
Abaqulusi Municipal Area	R 3,837,606.51
TOTAL	R 7,913,901.26

4.4. BUDGET AND TREASURY OFFICE



**SB NKOSI CHIEF FINANCIAL OFFICER
LEGISLATIVE FRAMEWORK**

Section 80 of the Municipal Finance Management Act, 2003 provides that every municipality must have the Budget and Treasury Office.

The budget and treasury office consists of :

- The Chief Financial Officer
- Officials of the municipality allocated by the Accounting Officer to the Chief Financial Officer
- And any other person contracted by the municipality for the work of the office.

At Zululand District Municipality the Budget and Treasury Office is headed by the Chief Financial Officer. The Office has 37 officials allocated to it.

Functions Performed by the Budget and Treasury Office include:

- Advising the Accounting Officer on the exercise of powers and duties as assigned by the Municipal Finance Management Act;
- Assisting the Accounting Officer in the administration of municipal bank accounts, preparation and implementation of the municipal budget.
- Advising other senior managers on financial matters;
- Performing the budgeting, accounting analysis, financial reporting, cash management, debt management, supply chain management, risk management and other functions as may be delegated by the Accounting Officer from time to time.

2008/2009 Performance Highlights

Budgeting and Budgetary Control

The 2008/2009 multi-year budget was approved by the council in May 2008. The allocations were as follows:

EXPENDITURE	BUDGET 2008/2009	ACTUALS 2008/2009
Operating	252 495 907	267 364 786
Capital	212 210 638	193 827 685
Total	464 706 545	461 192 471

Financial Reporting

The 2008/2009 financial statements were submitted in time. The challenge faced as the preparation of GRAP compliant financial statements in house. But the experience attained throughout the process is invaluable. There were significant changes in the accounting policies as a result of the implementation of GRAP standards.

All other reports required in terms of the Division of Revenue Act were submitted in time. The DORA Grants received during the financial year were spent as per the table below. It is noteworthy that there is a substantial decrease in the unspent conditional grants.

Had, the financial years of both National and Provincial spheres been synchronised with the local sphere, the unspent conditional grants would have actually been reduced further. To illustrate an airport grant for 09/10 is transferred by a Provincial department in April 2009 and at 30 June 2009 this amount is then reflected in the municipal financial statements as unspent thus giving an impression that the municipality does not spend its allocated conditional grants.

The DORA grants received during the financial year were spent as follows:

Grant Name	Grant Purpose	Usage of grant	Amount received	Amount spent
FMG	To finance reforms in financial management	Grant was used for intended purposes	500 000	500 000
MIG	To supplement capital finance for basic municipal infrastructure	Grant was used for intended purposes	146 528 000	129 313 170

MSIG	To assist municipality to perform their functions and stabilise institutional and governance	Grant was used for intended purposes	735 000	1 554 204
BELGRADE MPCC	To assist LM's to perform their functions- certain portion has been transferred to Phongola municipality	Grant was used for intended purposes	3 391 656	600 000
DWAF	To subsidise water schemes owned by departments to municipalities	Grant was used for intended purposes	26 680 400	71 857 333
EQUITABLE SHARE	To finance the operation of the municipality	Grant was used for intended purposes	127 541 093	127 541 093

Capital Commitments:

The capital commitments consist of infrastructure assets to the total value of R169,712,909.05.

Risk Management

The Audit and Performance Management Committee had 6 meetings during the year to discuss internal audit reports and performance management report. Internal audit covered the following aspect in 2008/2009:

- Draft fraud prevention plan
- The risk register
- 2008/2009 Internal Audit Plan
- The Municipal Budget and reporting regulations
- Audit Plan
- Annual Report
- Evaluation of the performance of the internal auditors
- ZDM mid-year assessment
- Performance Indicators
- Progress Report on Internal Audit
- Audit report on management performance measurement
- ZDM Investigation

Internal controls were operational and they assisted the municipality to uncover malpractices that were undertaken by a cashier. Most reconciliations were performed monthly.

The council does not suffer any liquidity risk due to the process of closely monitoring cashflow forecasts and avoidance of debt that cannot be serviced.

Debt Management

The nature and extent of poverty in the district is negatively affecting the ability of the majority of our residents to pay for the services rendered. As a result, the value of outstanding debtors is increasing.

To reduce this outstanding balance, council has resorted to the strict implementation of the credit control and debt collection policy by installing controlled flow meters for the indigent consumers and the restriction of water supply for the non-indigent consumers.

Summary of Debtors by Customer Classification:

As at 30 June 2009	Consumers	Industrial and Government
0-30 Days Current	995 805	517 531
31-60 Days	844 005	602 817
61-90 Days	645 846	335 715
91-120 Days	1 319 457	425 817
121-365 Days	17 028 410	2 125 841
+365 Days		
Total	20 833 523	4 007 721

Creditors

Creditors are paid on monthly basis, and within the 30 days time limit set by the Municipal Finance Management Act.

Supply Chain Management

The primary objective of this section is to provide supply chain management which is fair, transparent, efficient, equitable, competitive and which ensures best value of money for the municipality and promotes local economic development.

Members of Bid Committees

Bid Specification

- Mr C Nel Chairperson
- Mr M Dladla
- Mr S Ngcobo
- Ms Z Ntombela
- Ms G Nene

Bid Evaluation

- Mr S Khumalo Chairperson
- Ms NS Mthembu
- Ms Gwamanda
- Mr S Landman
- Ms N Hlengwa

Bid Adjudication

- Mr. SB Nkosi Chairperson
- Mr. MN Shandu
- Mr. C Nel
- Mr. TL Xaba

Number of meetings held during 2008/09 financial year

Bid Specifications	25
Bid Evaluation	23
Bid Adjudication	21

CHAPTER 5: AUDITED FINICIAL STATEMENTS AND RELATED FINANCIAL INFORMATION

As indicated earlier, the Zululand District Municipality received an unqualified report from the Auditor-General for the seventh consecutive year as at 30 June 2009. In the report a number of matters of non-compliance with laws and regulations were however raised by the Auditor-General and will be fully dealt with in 2009/2010.

Annexures:

Annexure A: The full report from the Auditor-General

Annexure B: The June 2009 Annual Financial Statements

CHAPTER 6: AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Membership

The Zululand District Municipality has an Audit and Risk Management Committee set up in accordance with the prescripts of the Municipal Finance Management Act No. 56 of 2003, section 166. The Committee comprises of two independent members, who are not in the employ of the Zululand District Municipality, nor are they political office bearers.

The Chairperson of the Audit Committee is an independent person who is knowledgeable of the status of the position and has the requisite legal, business and leadership skills. The Committee operates in terms of written terms of reference approved by the municipality's Accounting Officer and Council's Executive Committee, which is in accordance with best practice.

Audit Committee members and attendance

The Committee performs its responsibilities as required in terms of the Municipal Finance Management Act (MFMA), as well as the code of Corporate Governance. The Audit Committee meets a minimum of four (4) times during a financial year. For the financial year ending 30 June 2009, the Committee has reviewed and/ or advised on matters relating to:

The adequacy, reliability and accuracy of financial reporting and information;
The activities and effectiveness of internal audit function;
The accounting and auditing concerns identified as a result of the internal or external audits;
The effectiveness of the internal control systems;
Risk Management;
Compliance with the MFMA and other applicable legislation;
Performance Management; and
Reports on forensic investigations.

Internal Audit

The Zululand District Municipality has a system of Internal Audit under the control and direction of its Audit and Risk Committee. Based on the results of assurance work carried out by the Internal Audit unit, there are areas where the internal control systems have been identified as weak. The weaknesses in internal control systems have been brought to the attention of management to take corrective measures.

Performance Management

The municipality made significant changes to the organizational scorecard which was as a direct result of the changes in the applicable National Treasury regulations. The scorecard has also been revised to ensure alignment to the Integrated Development Plan (IDP) of the Municipality. Systems are being implemented to monitor organizational and individual performance.

ACTION PLAN TO ADDRESS AUDITOR - GENERAL QUERIES

In terms of Section 121 (3) (g) of the Municipal Finance Management Act, the municipality must include in the Annual Report “particulars of any corrective action taken or to be taken in response to issues raised in the audit report”, therefore those particulars are supplied hereunder in the same numbering as in the audit report with their corrective measures.

9. Restatement of corresponding figures - Monthly reconciliation will be implemented.

12. The monthly reports to National Treasury on awards for contracts above R 100 000 are now submitted to National Treasury as and when the awards are made. Report to be submitted to Audit Committee by the Deputy Chief Financial Officer.

14.2 Quarterly management accounts will be performed and submitted to the Municipal Manager and the Executive Committee.

14.3 The Annual report for 2009 / 2010 will be scheduled.

14.6 Audit Committee is on schedule for complying with Section 166 (2).

14.7 A meeting was held between the Municipal Manager and the Internal Audit team to discuss non-performance. It has been mutually agreed that more visits will be done in 2009 / 2010.

14.11 A risk assessment is scheduled to take place in January 2010. The services of Provincial Treasury have been procured.

14.13 Prior year Audit findings have subsequently been resolved.

14.15 The PMS is under development.

14.16 A PMS Specialist is assisting the Council.

Annexure A
Auditor-General's Report
2008/09

**REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL
LEGISLATURE AND THE COUNCIL ON THE FINANCIAL STATEMENTS AND
PERFORMANCE INFORMATION OF ZULULAND DISTRICT MUNICIPALITY FOR
THE YEAR ENDED 30 JUNE 2009**

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the accompanying financial statements of the Zululand District Municipality which comprise the statement of financial position as at 30 June 2009, and the statement of financial performance, the statement of changes in net assets and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 124 to 161.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and section 126(3) of the MFMA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with the International Standards on Auditing read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. Paragraph 11 *et seq.* of the Standard of Generally Recognised Accounting Practice, GRAP 1 *Presentation of Financial Statements* requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is not effective for this financial year, I have determined that my audit of any disclosures made by the Zululand District Municipality in this respect will be limited to reporting on non-compliance with this disclosure requirement.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

8. In my opinion the financial statements present fairly, in all material respects, the financial position of the Zululand District Municipality as at 30 June 2009 and its financial performance and cash flows for the year then ended, in accordance with the Standards of GRAP and in the manner required by the MFMA.

Emphasis of matter

Without qualifying my opinion, I draw attention to the following matter:

Restatement of corresponding figures

9. As disclosed in note 33 to the financial statements, the corresponding figures for 30 June 2008 have been restated as a result of the municipality implementing new accounting policies and Standards of GRAP for the 2008/2009 financial year and changes to existing policies.

Other matters

Without qualifying my opinion, I draw attention to the following matters that relate to my responsibilities in the audit of the financial statements:

Material inconsistencies in information included in the annual report

10. I have not obtained the other information included in the annual report and have not been able to identify any material inconsistencies with the financial statements.

Unaudited supplementary schedules

11. The municipality provided supplementary information in the Annexure A, B, C,D, E1,E2 and F to the financial statements on whether resources were obtained and used in accordance with the legally adopted budget, in accordance with GRAP 1 *Presentation of Financial Statements*. The supplementary budget information and other supplementary information set out on pages 124 to 161 do not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly, I do not express an opinion thereon.

Non-compliance with applicable legislation

Municipal Finance Management Act

12. The municipality did not submit monthly reports to National Treasury on awards for contracts above R100 000, as required by MFMA circular 34 of 28 June 2006, issued in terms of section 74(1) of the MFMA.

Governance framework

13. The governance principles that impact the auditor's opinion on the financial statements are related to the responsibilities and practices exercised by the accounting officer and executive management and are reflected in the key governance responsibilities addressed below:

Key governance responsibilities

14. The MFMA tasks the accounting officer with a number of responsibilities concerning financial and risk management and internal control. Fundamental to achieving this is the implementation of key governance responsibilities, which I have assessed as follows:

No.	Matter	Y	N
Clear trail of supporting documentation that is easily available and provided in a timely manner			
1.	No significant difficulties were experienced during the audit concerning delays or the availability of requested information.	<input type="checkbox"/>	
Quality of financial statements and related management information			
2.	The financial statements were not subject to any material amendments resulting from the audit.		<input type="checkbox"/>
3.	The annual report was submitted for consideration prior to the tabling of the auditor's report.		<input type="checkbox"/>
Timeliness of financial statements and management information			
4.	The annual financial statements were submitted for auditing as per the legislated deadlines, as set out in section 126 of the MFMA.	<input type="checkbox"/>	
Availability of key officials during audit			

No.	Matter	Y	N
5.	Key officials were available throughout the audit process.	<input type="checkbox"/>	
Development and compliance with risk management, effective internal control and governance practices			
6.	Audit committee		
	<ul style="list-style-type: none"> The municipality had an audit committee in operation throughout the financial year. 	<input type="checkbox"/>	
	<ul style="list-style-type: none"> The audit committee operates in accordance with approved, written terms of reference. 	<input type="checkbox"/>	
	<ul style="list-style-type: none"> The audit committee substantially fulfilled its responsibilities for the year, as set out in section 166(2) of the MFMA. 		<input type="checkbox"/>
7.	Internal audit		
	<ul style="list-style-type: none"> The municipality had an internal audit function in operation throughout the financial year. 	<input type="checkbox"/>	
	<ul style="list-style-type: none"> The internal audit function operates in terms of an approved internal audit plan. 		<input type="checkbox"/>
	<ul style="list-style-type: none"> The internal audit function substantially fulfilled its responsibilities for the year, as set out in section 165(2) of the MFMA. 		<input type="checkbox"/>
8.	There are no significant deficiencies in the design and implementation of internal control in respect of financial and risk management.	<input type="checkbox"/>	
9.	There are no significant deficiencies in the design and implementation of internal control in respect of compliance with applicable laws and regulations.	<input type="checkbox"/>	
10.	The information systems were appropriate to facilitate the preparation of the financial statements.	<input type="checkbox"/>	
11.	A risk assessment was conducted on a regular basis and a risk management strategy, which includes a fraud prevention plan, is documented and used, as set out in section 62(1)(c)(i) of the MFMA.		<input type="checkbox"/>
12.	Delegations of responsibility are in place, as set out in section 79 of the MFMA.	<input type="checkbox"/>	
Follow-up of audit findings			
13.	The prior year audit findings have been substantially addressed.		<input type="checkbox"/>
14.	SCOPA/Oversight resolutions have been substantially implemented.	<input type="checkbox"/>	
Issues relating to the reporting of performance information			
15.	The information systems were appropriate to facilitate the preparation of a performance report that is accurate and complete.		<input type="checkbox"/>
16.	Adequate control processes and procedures are designed and implemented to ensure the accuracy and completeness of reported performance information.		<input type="checkbox"/>
17.	A strategic plan was prepared and approved for the financial year under review for purposes of monitoring the performance in relation to the budget and delivery by the Zululand District Municipality against its mandate, predetermined objectives, outputs, indicators and targets, as set out in section 68 of the MFMA.	<input type="checkbox"/>	
18.	There is a functioning performance management system and performance bonuses are only paid after proper assessment and approval by those charged with governance.	<input type="checkbox"/>	

15. Key officials have been available throughout the audit, thus enabling the municipality to timeously provide a clear trail of supporting documents. However, weaknesses were identified as evidenced by numerous correcting adjustments in the amounts and disclosures in the financial statements provided for audit as well as the fact that the municipality did not develop and implement an effective system of risk management relating to financial reporting. Whilst overall leadership and supervision was effective.

Investigations

16. An investigation is in progress regarding the alleged misappropriation of money at the district municipality's cash office in Nongoma.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on performance information

17. I have reviewed the performance information as set out on pages 20 to 54.

The accounting officer's responsibility for the performance information

18. In terms of section 121(3)(c) of the MFMA, the annual report of a municipality must include the annual performance report of the municipality, prepared by the municipality in terms of section 46 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA).

The Auditor-General's responsibility

19. I conducted my engagement in accordance with section 13 of the PAA read with *General Notice 616 of 2008*, issued in *Government Gazette No. 31057 of 15 May 2008* and section 45 of the MSA.
20. In terms of the foregoing my engagement included performing procedures of a review nature to obtain sufficient appropriate evidence about the performance information and related systems, processes and procedures. The procedures selected depend on the auditor's judgement.
21. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for the findings reported below.

Findings on performance information

Non-compliance with regulatory requirements

Lack of effective, efficient and transparent systems and internal controls regarding performance management

22. The Zululand District Municipality did not document and approve internal policies and procedures to address planning, monitoring and reporting processes, events pertaining to performance information and steps to improve performance with regard to those development priorities and objectives where performance targets were not met, as required by section 41(1)(d) of the MSA.

Content of integrated development plan

23. The integrated development plan (IDP) of the Zululand District Municipality did not include input and outcome indicators, in respect of each of the development priorities and objectives, as required by sections 26(i) and 41(1)(b) of the MSA and regulation 12 of the Municipal Planning and Performance Management Regulations of 2001.

Usefulness and reliability of reported performance information

24. The following criteria were used to assess the usefulness and reliability of the information on the municipality's performance with respect to the objectives in its integrated development plan:

- **Consistency:** Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan?
- **Relevance:** Is the performance information as reflected in the indicators and targets clearly linked to the predetermined objectives and mandate. Is this specific and measurable, and is the time period or deadline for delivery specified?
- **Reliability:** Can the reported performance information be traced back to the source data or documentation and is the reported performance information accurate and complete in relation to the source data or documentation?

The following audit finding relate to the above criteria:

25. The changes to development priorities/objectives, key performance indicators and targets to the approved 2008/2009 IDP were not reviewed and approved by council in terms of consistency, relevance and reliability in order to assess the usefulness and reliability of the information on the municipality's performance.

Reported performance information not reliable

Lack of appropriate information systems generating performance information

26. Sufficient appropriate audit evidence with regard to the reported performance information of the objectives could not be obtained, as the information system used for generating performance information was not appropriate to facilitate the preparation of accurate and complete actual performance information.

APPRECIATION

27. The assistance rendered by the staff of the Zululand District Municipality during the audit is sincerely appreciated.

Auditor-General

Pietermaritzburg

30 November 2009



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Annexure B
Audited Financial Statements
2008/09

ZULULAND DISTRICT MUNICIPALITY

for the year ended 30 June 2009

GENERAL INFORMATION

MEMBERS OF THE COUNCIL

Cllr V Z KaMagwaza Msibi	Mayor
Cllr N J Mjaja	Speaker
Cllr V O Mbuyisa	Member of the Executive Committee
Cllr B B Zwane	Member of the Executive Committee
Cllr N P Ndlela	Member of the Executive Committee
Cllr S E Nkwanyana	Member of the Executive Committee
Cllr J B Mavundla	Member of the Executive Committee
Cllr T R Bunge	Member
Cllr A B Lesala	Member
Cllr M M Kunene	Member
Cllr J B Ngema	Member
Cllr M M Mntungwa	Member
Cllr M A Shabangu	Member
Cllr S Z Buthelezi	Member
Cllr P M Mtshali	Member
Cllr N V Mbatha	Member
Cllr H S Ngwenya	Member
Cllr F L Buthelezi	Member
Cllr B S Khanyile	Member
Cllr M Z Mafambani	Member
Cllr M B Mabaso	Member
Cllr N E Zungu	Member
Cllr T B Lukhele	Member
Cllr S P S Mwelase	Member
Cllr K E Thabede	Member
Cllr J P Ngwenya	Member
Cllr J A Scheepers	Member
Cllr R B Mhlungu	Member
Cllr B A Mtshali	Member
Cllr M E Ndwandwe	Member
Cllr E M Nxumalo	Member
Cllr M E Sishwili	Member
Cllr T M Zungu	Member
Cllr S Mlambo	Member

Municipal Manager

J H de Klerk

Chief Financial Officer

S.B Nkosi

Grading of Local Authority

4

Auditors

Auditor-General South Africa

Bankers

ABSA Bank Limited

ZULULAND DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

General information (continued)

Registered Office: ZULULAND DISTRICT MUNICIPALITY

Physical address:
B-400 GAGANE STREET
ULUNDI
3838

Postal address:
PRIVATE BAG X76
ULUNDI
3838

Telephone number: 035 874 5500

Fax number: 035 874 5589/91

E-mail address: info@zululand.org.za

ZULULAND DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

Approval of annual financial statements

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 39, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, as disclosed in note 24 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Cooperative Governance and Traditional Affairs's determination in accordance with this Act.

Municipal Manager:

DATE

2009/11/30

ZULULAND DISTRICT MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2009

Index	Page
Statement of Financial Position	124
Statement of Financial Performance	125
Statement of Changes in Net Assets	126
Cash Flow Statement	127
Accounting Policies	128 - 135
Notes to the Annual Financial Statements	136 - 151
Appendix A: Schedule of External Loans	152
Appendix B: Analysis of Property, Plant and Equipment	153 - 156
Appendix C: Segmental Analysis of Property, Plant and Equipment	157
Appendix D: Segmental Statement of Financial Performance	158
Appendix E1: Actual versus budget (Revenue and Expenditure)	159
Appendix E2: Actual versus budget (Property, Plant and Equipment)	160
Appendix F: Grants & Subsidies Received	161

ZULULAND DISTRICT MUNICIPALITY

STATEMENT OF FINANCIAL POSITION

as at 30 June 2009

	Note	2009 R	2008 R RESTATED
ASSETS			
Current assets		128,643,430	184,401,778
Cash and cash equivalents	1	77,662,763	166,113,783
Trade and other receivables from exchange transactions	2	3,632,779	8,194,517
Other receivables from non-exchange transactions	3	4,565,066	1,504,380
Inventories	4	904,467	-
Prepayments	5	1,630,454	-
Current portion of receivables	6	73,144	136,975
VAT receivable	11	40,174,755	8,452,123
Non-current assets		1,072,622,161	908,927,487
Non-current receivables	6	859,404	855,046
Property, plant and equipment	7	1,071,383,311	907,500,620
Intangible assets	8	379,446	571,821
Total assets		1,201,265,591	1,093,329,265
LIABILITIES			
Current liabilities		83,762,427	92,746,664
Trade and other payables from exchange transactions	9	40,585,645	34,553,219
Consumer deposits	10	3,264,522	1,030,223
Bank overdraft	1	-	1,613,878
Current portion of unspent conditional grants and receipts	12	34,818,336	54,431,932
Current portion of borrowings	13	1,168,370	1,030,976
Current portion of finance lease liability	14	96,225	86,436
Other current financial liabilities	0	3,829,329	-
Non-current liabilities		4,363,769	5,628,364
Non-current borrowings	13	4,078,983	5,247,353
Non-current finance lease liability	14	284,786	381,011
Total liabilities		88,126,196	98,375,028
Net assets		1,113,139,395	994,954,237
NET ASSETS			
Accumulated surplus / (deficit)		1,113,139,397	994,954,235
Total net assets		1,113,139,397	994,954,235

ZULULAND DISTRICT MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE			
for the year ending 30 June 2009			
	Note	2009 R	2008 R RESTATED
Revenue			
Service charges	16	18,321,998	17,659,663
Rental of facilities and equipment	17	83,345	78,229
Interest earned - external investments	18	21,194,644	17,617,716
Interest earned - outstanding receivables	19	271,592	-
Government grants and subsidies	20	350,874,413	268,357,953
Public contributions and donations	22.2	70,000	-
Other income	22.1	460,612	452,997
Total revenue		391,276,604	304,166,558
Expenses			
Employee related costs	23	59,638,236	50,734,427
Remuneration of councilors	24	4,934,083	5,017,271
Collection costs		297,009	91,829
Depreciation and amortisation expense	25	30,028,894	-
Repairs and maintenance		19,276,561	17,085,116
Finance costs	26	832,563	3,391,489
Bulk purchases	27	25,188,286	20,014,825
Contracted services	28	3,008,486	-
Grants and subsidies paid	29	813,167	709,639
General expenses	30	123,347,501	201,193,370
Total expenses		267,364,786	298,237,966
Gain / (loss) on sale of assets	30.1	60,897	-
Surplus / (deficit) for the period		123,972,714	5,928,591

ZULULAND DISTRICT MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS
as at 30 June 2009

	Revaluation Reserve	Other reserves	Total: Reserves	Accumulated Surplus/(Deficit)	Total: Net Assets
Note	R	R	R	R	R
Balance at 30 June 2007	-	68,118,937	68,118,937	41,288,012	109,406,949
<i>Other items: Income received during the year/ Appropriations</i>		171,022,909	171,022,909	2,025,700	173,048,609
<i>Other items: Expenditure for the year</i>		(139,984,020)	(139,984,020)		(139,984,020)
Surplus / (deficit) for the period				5,928,591	5,928,591
Balance at 30 June 2008	-	99,157,826	99,157,826	49,242,303	148,400,129
Changes in accounting policy		(99,157,826)	(99,157,826)	946,191,449	847,033,623
Correction of prior period error				(479,518)	(479,518)
Restated balance 2008	-	-	-	994,954,235	994,954,235
Transfers to / from accumulated surplus/(deficit)				(5,787,552)	(5,787,552)
Surplus / (deficit) for the period				123,972,714	123,972,714
Balance at 30 June 2009	-	-	-	1,113,139,397	1,113,139,397

ZULULAND DISTRICT MUNICIPALITY
CASH FLOW STATEMENT
as at 30 June 2009

	Note	2009 R	2008 R
CASH FLOWS FROM OPERATING ACTIVITIES			RESTATED
Receipts		339,015,385	-
Cash Received from consumers, government and c	31.1	339,015,385	-
Payments		(251,301,484)	-
Cash Paid to employee costs, supplier and other	31.2	(251,301,484)	-
Net cash flows from operating activities	31	87,713,901	1,092,083,724
Interest Received		21,194,644	17,617,716
Finance Cost		(832,563)	(3,391,489)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash flows from investing activities		(193,658,314)	(940,027,553)
Purchase of fixed assets		(193,850,689)	(939,448,968)
Purchase of intangible assets		192,375	(578,585)
CASH FLOWS FROM FINANCING ACTIVITIES		(1,254,805)	(548,156)
Repayment of borrowings		(1,168,369)	(1,030,976)
Proceeds from finance lease liability		9,789	83,891
Repayment of finance lease liability		(96,225)	398,929
		(86,837,137)	165,734,242
Net increase / (decrease) in net cash and cash equivalents		(86,837,142)	165,734,242
Net cash and cash equivalents at beginning of period		164,499,905	(1,234,337)
Net cash and cash equivalents at end of period	32	77,662,763	164,499,905

ZULULAND DISTRICT MUNICIPALITY
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
for the year ending 30 June 2009

1 BASIS OF ACCOUNTING

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003)

These standards are summarised as follows -

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Interests in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economies
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets Held for sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

The Accounting Standards Board has set transitional provisions for individual standards of GRAP as set out in Directive 4 issued in March 2009. Details of the transitional provisions applicable to the municipality have been provided in the notes to the annual financial statements.

A summary of the significant accounting policies, which have been consistently applied except where a transitional provision has been granted are disclosed below.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.3 GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

1.4 COMPARATIVE INFORMATION

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Prior Year Comparatives:

Due to the implementation of GRAP, prior period amounts have been reclassified. The reclassification is due to the change in Accounting Policy and the reclassification is depicted in the change in Accounting policy note.

1.5 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality.

GRAP 8 Interest in Joint Ventures - issued August 2006

GRAP 18 Segment Reporting - issued March 2005

GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008

GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007

GRAP 103 Heritage Assets - issued July 2008

2 PROPERTY, PLANT AND EQUIPMENT

2.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost or fair value less accumulated depreciation. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

2.2 SUBSEQUENT MEASUREMENT - COST MODEL

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

2.3 DEPRECIATION AND IMPAIRMENT

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. Depreciation on new acquisitions is charged to the statement of financial performance in the financial year in which the asset is available for use. The annual depreciation rates are based on the following estimated average asset lives:

Infrastructure	
Water	15-70 years
Sewerage	15-70 years
Community	
Buildings	30 years
Recreational Facilities	20-30 years
Heritage assets	
Paintings and artifacts	Indefinite
Finance lease assets	
Office equipment	5 years
Other	
Buildings	30 years
Specialist vehicles	7 years
Other vehicles	7 years
Office equipment	3-7 years
Furniture and fittings	7 years
Emergency equipment	10 years
Computer equipment	5 years

The residual value, the useful life of an asset and the depreciation method is reviewed annually and adjusted where necessary. Any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

2.4 DERECOGNITION

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

2.5 DIRECTIVE 4

Zululand District Municipality has taken advantage of the transitional provisions permitted by the Accounting Standards Board, in terms of Directive 4 issued in March 2009, with respect to the measurement of property, plant and equipment as set out in paragraphs 73 to 83.

3 INTANGIBLE ASSETS

3.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licenses, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use,
- it is technically feasible to complete the intangible asset,
- the municipality has the resources to complete the project, and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

3.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

3.3 AMORTISATION AND IMPAIRMENT

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software	5-7 years
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The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

3.4 DERECOGNITION

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

3.5 DIRECTIVE 4

Zululand District Municipality has taken advantage of the transitional provisions permitted by the Accounting Standards Board, in terms of Directive 4 issued in March 2009, with respect to the measurement of intangible asset as set out in paragraphs 110 to 118.

4 INVENTORIES

4.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

4.2 SUBSEQUENT MEASUREMENT

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the first-in, first-out method.

4.3 DIRECTIVE 4

Zululand District Municipality has taken advantage of the transitional provisions permitted by the Accounting Standards Board, in terms of Directive 4 issued in March 2009, with respect to the measurement of inventories as set out in paragraphs 45 to 52.

5 FINANCIAL INSTRUMENTS

5.1 INITIAL RECOGNITION

Financial instruments are initially recognised at fair value.

5.2 SUBSEQUENT MEASUREMENT

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to-maturity, loans and receivables, or available for sale. Financial liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

5.2.1 INVESTMENTS

Investments, which include short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified. Impairments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

5.2.2 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets: loans and receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 180 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

5.2.3 TRADE PAYABLES AND BORROWINGS

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

5.2.4 CASH AND CASH EQUIVALENTS

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

6 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

7 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

8 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

9 LEASES

9.1 MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition.

9.2 MUNICIPALITY AS LESSOR

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

10 REVENUE

10.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received.

Service charges relating to water is based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced.

Service charges relating to water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly by the system if the reading was not obtained. The provisional estimates of consumption are recognised as revenue when invoiced. The system automatically reverse the provisional readings, when the reading has been captured on the system.

Interest revenue is recognised on a time proportion basis.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods is passed to the consumer

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified and once the terms of the agency agreement have been complied with

10.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, a deferred income (liability) is recognised.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councilors or officials is virtually certain.

10.3 GRANTS, TRANSFERS AND DONATIONS

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset or expense is recognised.

11 TRANSITIONAL PROVISIONS

Zululand District Municipality has taken advantage of the transitional provision permitted by the Accounting Standards Board, as set out in Directive 4 Issued in March 2009 as follows:

GRAP 1 Presentation of Financial Statements-paragraphs 7-8A
GRAP 9 Revenue from Exchange Transactions-paragraphs 37-38
GRAP 12 Inventories-paragraph 45-52
GRAP 13 Leases-paragraph 55-60
GRAP 17 Property, Plant and Equipment-paragraphs 73-83
GRAP 19 Provision, Contingent Liabilities and Contingent Assets-paragraph 93-94E
GRAP 102 Intangible Assets-paragraph 110-118

The municipality has developed a plan to implement the above transitional provisions within the window period established in Directive 4. Progress will be evaluated each reporting period.

12 BORROWING COSTS

Borrowing costs are recognised as an expense in Statement of Financial Performance.

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2009 R	2008 R
1 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents consist of the following			
Cash on hand		4,200	5,000
Cash at bank		12,591,509	-
Call deposits		65,067,055	166,108,783
		<u>77,662,763</u>	<u>166,113,783</u>

The Municipality has the following bank accounts. -

Current Account (Primary Bank Account)

ABSA BANK-Newcastle Branch. 4047162045

Cash book balance at beginning of year	1,612,797	
Cash book balance at end of year	12,595,709	1,612,797
Bank statement balance at beginning of year	10,696,797	16,308,670
Bank statement balance at end of year	29,835,617	10,696,797

<u>Cash on hand</u>	4,200	5,000
Total cash and cash equivalents	77,662,763	166,113,783
Total bank overdraft	-	1,613,878

Investments

Absa	40,067,055	83,758,008
FNB	25,000,000	42,350,775
STD		40,000,000
Total Investments	65,067,055	166,108,783

	Gross Balances R	Provision for Doubtful Debts R	Net Balance R
2 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTION			
<u>Trade receivables</u>			
as at 30 June 2009			
Service debtors			
Water	25,153,684	21,960,263	3,193,421
Other Receivables	439,359	-	439,359
Total	<u>25,593,043</u>	<u>21,960,263</u>	<u>3,632,779</u>
as at 30 June 2008			
Service debtors			
Water	17,326,088	9,131,569	8,194,517
Total	<u>17,326,088</u>	<u>9,131,569</u>	<u>8,194,517</u>
<u>Other receivables</u>	2,658,145	2,658,145	-
Other receivables	<u>2,658,145</u>	<u>2,658,145</u>	<u>-</u>

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2009 R	2008 R
<u>Water and Sewerage: Ageing</u>			
Current (0 – 30 days)		1,513,336	2,895,204
31 - 60 Days		1,446,822	1,589,158
61 - 90 Days		981,561	991,855
91 - 120 Days		1,745,274	11,849,870
121 - 365 Days		19,154,251	
+ 365 Days			
Total		24,841,244	17,326,087

Summary of Debtors by Customer Classification

	Consumers	Industrial / Commercial/ National & Provincial Government	
	R	R	
as at 30 June 2009			
Current (0 – 30 days)	995,805	517,531	
31 - 60 Days	844,005	602,817	
61 - 90 Days	645,846	335,715	
91 - 120 Days	1,319,457	425,817	
121 - 365 Days	17,028,410	2,125,841	
+ 365 Days			
Sub-total	20,833,524	4,007,721	-
Less: Provision for doubtful debts			
Total debtors by customer classification	20,833,524	4,007,721	-

as at 30 June 2008			
Current (0 – 30 days)	1,952,803	798,656	
31 - 60 Days	831,838	566,925	
61 - 90 Days	615,830	337,350	
91 - 120 Days	693,106	171,697	
121 - 365 Days	10,277,571	1,080,310	
+ 365 Days			
Sub-total	14,371,148	2,954,938	-
Less: Provision for doubtful debts			
Total debtors by customer classification	14,371,148	2,954,938	-

2 Reconciliation of the doubtful debt provision

Balance at beginning of the year	9,468,567	4,102,906
Contributions to provision	15,149,841	5,365,661
Doubtful debts written off against provision	-	-
Reversal of provision	-	-
Balance at end of year	24,618,408	9,468,567

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2009 R	2008 R
3 OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS			
Other debtors		4,565,066	1,504,380
Total Other Debtors		4,565,066	1,504,380
4 INVENTORIES			
Closing balance of inventories:		904,467	-
Consumable stores		292,033	-
Water meters		525,600	-
Water		86,834	-
5 PREPAYMENTS			
Prepaid expenses		1,630,454	-
Includes fees paid for IMFO, lease rentals and provision of water to surrounding areas			
6 NON-CURRENT RECEIVABLES			
Car loans		31,268	104,979
Bursary Debtors		62,881	55,644
Other non-current receivables		838,399	831,399
		932,548	992,021
Less : Current portion transferred to current receivables		(73,144)	(136,975)
Car loans		(10,263)	-
Bursary Debtors		(62,881)	-
Other non-current receivables		-	(136,975)
Total		859,404	855,046

Car Loans: 2008-2009 Senior staff were entitled to car loans which attract interest @ 8 % per annum and which were repayable over a maximum period of 6 years. However since staff appointed in terms of S 57 of the Municipal System Act 2000 are excluded from the scheme but existing loans at date of appointment attract interest at the official rate of interest 2006. With effect from 1 July 2004 the Municipal Finance Management Act prohibited the granting of loans to staff members. Existing loans at the time of discontinuance are payable over the remaining contract period. The employees who have the outstanding balances on the car loans, failed to settle the amount on termination.

Bursary Debtors Comprises staff members who have not met the conditions of the bursary and are obliged to repay the amount.

Other non-current receivables Comprises of Eskom Deposit- which is payable when an application is made to connect a new water scheme to the Eskom supply line. The deposit can either be a bank guarantee or a cheque payment. Fuel Deposit, Rent Deposit & Ondini Motors.

Fuel Deposit- Comprises a deposit payable in advance to a service station due to the fact that fuel is not sold on credit.

Rent Deposit- this is the deposit payable in terms of the office lease agreement.

Ondini Motors- this is the debtor in respect of misused petrol cards. The arrangements were made with the owner.

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

7 PROPERTY, PLANT AND EQUIPMENT

7.1 Reconciliation of Carrying Value

	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R	R	R
as at 1 July 2008	400,000	26,926,030	873,212,330	-	-	6,523,260	440,000	907,500,620
Cost/Revaluation	400,000	30,592,666	940,383,321	-	-	13,702,133	550,000	985,628,120
Correction of error (note 46)	-	-	-	-	-	-	-	-
Change in accounting policy (note 47)	-	-	-	-	-	-	-	-
Accumulated depreciation and impairment losses	-	(3,667,636)	(67,170,991)	-	-	(7,178,873)	(110,000)	(78,127,500)
Acquisitions	70,000	-	64,313,884	-	-	8,522,306	-	72,906,190
Capital under Construction	-	-	120,991,494	-	-	-	-	120,991,494
Depreciation	-	(992,381)	(26,734,910)	-	-	(1,973,749)	(110,000)	(29,811,040)
Carrying value of disposals	-	-	-	-	-	(203,953)	-	(203,953)
Cost/Revaluation	-	-	-	-	-	(461,367)	-	(461,367)
Accumulated depreciation and impairment losses	-	-	-	-	-	257,414	-	257,414
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Other movements*	-	-	-	-	-	-	-	-
as at 30 June 2009	470,000	25,932,649	1,031,782,798	-	-	12,867,864	330,000	1,074,383,311
Cost/Revaluation	470,000	30,592,666	1,125,688,699	-	-	21,763,072	550,000	1,179,064,437
Accumulated depreciation and impairment losses	-	(4,660,017)	(93,905,901)	-	-	(8,895,208)	(220,000)	(107,681,126)

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2008

7.2 Reconciliation of Carrying Value

	Land	Buildings	Infrastructure	Community	Heritage	Other Assets	Finance lease assets	Total
	R	R	R	R	R	R	R	R
as at 1 July 2007	400,000	24,555,498	662,036,749	-	-	8,294,199	-	695,286,446
Cost/Revaluation	400,000	27,307,666	707,261,206	-	-	14,716,601	-	749,685,473
Correction of error (note 46)	-	-	-	-	-	-	-	-
Change in accounting policy (note 47)	-	(2,752,168)	(45,224,457)	-	-	(6,422,402)	-	(54,399,027)
Accumulated depreciation and impairment losses	-	-	-	-	-	-	-	-
Acquisitions	-	3,285,000	233,122,115	-	-	790,974	550,000	237,748,088
Capital under Construction	-	-	-	-	-	-	-	-
Depreciation	-	(915,468)	(21,946,534)	-	-	(1,990,091)	(110,000)	(24,962,093)
Carrying value of disposals	-	-	-	-	-	(571,821)	-	(571,821)
Cost/Revaluation	-	-	-	-	-	(1,805,441)	-	(1,805,441)
Accumulated depreciation and impairment losses	-	-	-	-	-	1,233,620	-	1,233,620
Impairment loss/Reversal of impairment loss	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
* Other movements	-	-	-	-	-	-	-	-
as at 30 June 2008	400,000	26,925,030	873,212,330	-	-	6,523,260	440,000	907,500,620
Cost/Revaluation	400,000	30,592,666	940,383,321	-	-	13,702,133	550,000	985,628,120
Accumulated depreciation and impairment losses	-	(3,667,636)	(67,170,991)	-	-	(7,178,873)	(110,000)	(78,127,500)

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2008 R
8 INTANGIBLE ASSETS		
8.1 Reconciliation of carrying value	Computer Software R	Total R
as at 1 July 2008	571,821	571,821
Cost	1,805,441	1,805,441
Accumulated amortisation and impairment losses	(1,233,620)	(1,233,620)
Acquisitions	25,480	25,480
Amortisation	(217,855)	(217,855)
as at 30 June 2009	379,446	379,446
Cost	1,830,921	1,830,921
Accumulated amortisation and impairment losses	(1,451,475)	(1,451,475)

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2009 R	2008 R
9 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS			
Accrued Expenses		14,261,945	20,299,375
Trade creditors		6,728,148	-
Water Debtors with Credit Balances		480,585	-
Retention		16,399,631	11,873,810
Staff leave accrual		2,714,335	2,380,033
Total creditors		40,586,645	34,553,219
10 CONSUMER DEPOSITS			
Water		3,264,522	1,030,223
Total consumer deposits		3,264,522	1,030,223
11 VAT RECEIVABLE			
VAT receivable		40,174,755	8,452,123
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.			
12 UNSPENT CONDITIONAL GRANTS AND RECEIPTS			
12.1 Unspent Conditional Grants from other spheres of Government			
Municipal Infrastructure Grant		17,214,880	-
DWAF Bulk Implementation Grant			37,290,645
Municipal Development Info Services		415,971	1,000,000
Gumbi Land Settlement		226,871	500,000
GIS Shared Services		250,000	-
Spatial Development Planning		250,000	-
Development Admin		250,000	-
LGSETA- Road Construction		20,000	-
LGSETA		139,383	141,961
Building for Sport & Recreation		454,884	747,478
Municipal Systems Improvement Grant		360,344	1,179,548
Development Planning Shared Services		1,050,000	-
Belgrade MPCC (NATIONAL TREASURY)		2,791,856	-
Infrastructure Backlog Studies		455,318	1,858,444
Transport Plan		627,418	627,418
IDP		-	80,000
DPLG GIS Capacity			14,066
KZN Infrastructure Grant		450,000	450,000
Giyma KZN		206,753	2,699
Ulundi Airport		3,937,495	210,618
Ulundi Airport Resurfacing		0	1,854,350
P700 Infrastructure		108,634	427,856
Ulundi Tourism Hub		805,487	1,378,888
Project Consolidate Nongoma		1,464,268	1,746,788
Shared Services		-	253,651
Cengen Development		2,870,548	2,758,500
Indonse		468,565	2,108,260
Total Unspent Conditional Grants and Receipts		34,818,338	64,431,932
Current portion of unspent conditional grants and receipts		34,818,338	64,431,932

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2009 R	2008 R
13 BORROWINGS			
INCA Loan		5,247,353	5,278,329
		5,247,353	5,278,329
Less: Current portion transferred to current liabilities			
Annuitiy Loans		1,188,370	1,030,976
		<u>1,188,370</u>	<u>1,030,976</u>
Total borrowings		<u>4,078,983</u>	<u>5,247,353</u>

Refer to Appendix A for more detail on borrowings

14 FINANCE LEASE LIABILITY

2009	Minimum lease payment R	Future finance charges R	Present value of minimum lease payments R
Amounts payable under finance leases			
Within one year	183,867	87,642	86,225
Within two to five years	424,732	139,846	284,786
	<u>608,599</u>	<u>227,588</u>	<u>381,011</u>
Less: Amount due for settlement within 12 months (current portion)			86,225
			<u>284,786</u>

The average lease term is 5 years and the average effective borrowing rate is 30.06%. No arrangements have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.

2008	Minimum lease payment R	Future finance charges R	Present value of minimum lease payments R
Amounts payable under finance leases			
Within one year	167,151	80,715	86,436
Within two to five years	608,599	227,588	381,011
	<u>775,750</u>	<u>308,303</u>	<u>467,447</u>
Less: Amount due for settlement within 12 months (current portion)			86,436
			<u>381,011</u>

The average lease term is 5 years and the average effective borrowing rate is 30.06%. No arrangements have been entered into for contingent rent. Obligations under finance leases are secured by the lessor's title to the leased asset.

OTHER FINANCIAL LIABILITIES

15 OTHER CURRENT FINANCIAL LIABILITIES

Other current financial liabilities	3,829,328	-
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16 SERVICE CHARGES

Sale of water	12,708,223	12,252,894
Sewerage and sanitation charges	5,613,775	5,406,789
Total Service Charges	<u>18,321,998</u>	<u>17,659,683</u>

17 RENTAL OF FACILITIES AND EQUIPMENT

Rental of facilities	83,345	78,229
Total rentals	<u>83,345</u>	<u>78,229</u>

18 INTEREST EARNED - EXTERNAL INVESTMENTS

Bank	21,194,613	17,617,716
Other	31	-
Total Interest	<u>21,194,644</u>	<u>17,617,716</u>

19 INTEREST EARNED - OUTSTANDING RECEIVABLES

Debtors	271,592	-
Total Interest	<u>271,592</u>	<u>-</u>

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2009 R	2008 R
20 GOVERNMENT GRANTS AND SUBSIDIES			
Equitable share		127,541,093	103,478,543
MIG Grant		129,313,320	92,981,557
KZNPA Salaries		3,887,874	-
DWAF Salaries		2,974,800	4,010,800
GIS Capacity Building		14,066	-
IDP Grant		80,000	-
Shared Services Internal Audit		253,651	-
Airport Resurfacing		1,854,350	-
P700 Infrastructure		319,022	-
LG SETA		2,598	-
Nongoma Project Consolidate		282,501	-
Infrastructure Backlog Studies		1,203,126	-
INDONSA		1,839,695	2,609,000
DWAF		61,684,391	39,047,300
Municipal Systems Improvement Grant		1,554,204	1,500,000
Sports grant		542,594	500,000
Finance Management Grant		500,000	500,000
Gama KZN		428,094	1,065,243
Ulundi Airport		5,634,122	-
Cengeni		5,785,952	1,000,000
Ulundi Tourism Hub		573,401	1,080,000
Municipal Development Information System		584,029	1,000,000
Gumbi Land Settlement		273,029	500,000
Belgrade MPCC		600,000	-
Growth & Development Summit		100,000	-
DWAF Operation & maintenance		3,250,400	4,382,600
Other Government Grants and Subsidies			14,702,910
Total Government Grant and Subsidies		350,874,413	268,367,863
21.1 Equitable Share			
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All water consumers receive 6kl free basic water.			
21.2 MIG Grant			
Balance unspent at beginning of year		-	-
Current year receipts		146,528,000	92,981,557
Conditions met - transferred to revenue		(129,313,320)	(92,981,556.7)
Conditions still to be met - remain liabilities		<u>17,214,680</u>	<u>-</u>
MIG is implemented on a multi-year programme and the conditions are met on an ongoing basis.			
Other Conditional Government Grants and Subsidies			
Balance unspent at beginning of year		54,431,932	-
Current year receipts		53,253,176	-
Conditions met - transferred to revenue		(90,081,454)	-
Conditions still to be met - remain liabilities		<u>17,603,654</u>	<u>54,431,932</u>
21.3 Changes in levels of government grants			
Based on the allocations set out in the Division of Revenue Act 2008, no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.			
22 OTHER INCOME, PUBLIC CONTRIBUTIONS AND DONATIONS			
22.1 Other income			
Total Other Income		<u>460,812</u>	<u>452,897</u>
22.2 Public contributions and donations			
Donations		70,000	-
Total public contributions and donations		<u>70,000</u>	<u>-</u>

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2009 R	2008 R
23 EMPLOYEE RELATED COSTS			
Employee related costs - Salaries and Wages		41,229,809	35,039,856
Employee related costs - Contributions for UIF, pensions and medical aids		7,392,498	7,288,085
Travel, motor car, accommodation, subsistence and other allowances		3,968,871	4,062,101
Housing benefits and allowances		438,181	385,115
Overtime payments		3,343,929	2,347,902
Other employee related costs		3,284,847	1,613,368
Total Employee Related Costs		59,638,236	50,734,427
Remuneration of the Municipal Manager			
Annual Remuneration		441,776	398,615
Performance- and other bonuses		197,125	-
Travel, motor car, accommodation, subsistence and other allowances		321,698	328,360
Contributions to UIF, Medical and Pension Funds		156,439	139,516
Total		1,117,037	866,491
Remuneration of the Chief Finance Officer			
Annual Remuneration		250,800	250,800
Performance- and other bonuses		131,745	-
Travel, motor car, accommodation, subsistence and other allowances		418,911	378,525
Contributions to UIF, Medical and Pension Funds		102,180	87,777
Total		903,636	726,102
Remuneration of Individual Executive Directors			
	Technical Services R	Corporate Services R	Community Services R
2009			
Annual Remuneration	282,782	221,040	299,067
Performance- and other bonuses	131,745	131,745	131,745
Travel, motor car, accommodation, subsistence and other allowances	520,557	527,899	485,129
Contributions to UIF, Medical and Pension Funds	74,083	246,558	103,236
Total	989,127	1,127,241	1,019,177
	Technical Services R	Corporate Services R	Community Services R
2008			
Annual Remuneration	250,800	212,077	254,405
Performance- and other bonuses	-	-	-
Travel, motor car, accommodation, subsistence and other allowances	406,794	427,674	384,259
Contributions to UIF, Medical and Pension Funds	71,533	87,435	82,143
Total	729,127	727,186	730,807
24 REMUNERATION OF COUNCILLORS			
Councillors		2,878,719	2,618,297
Councillors' pension and medical aid contributions		411,882	307,008
Councillors' allowances		1,843,702	2,090,988
Total Councillors' Remuneration		4,934,083	6,017,271
In-kind Benefits			
The Mayor, Deputy Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.			
The Mayor has use of the Council owned vehicle for official duties. The Mayor has full-time bodyguards.			
25 DEPRECIATION AND AMORTISATION EXPENSE			
Property, plant and equipment		28,811,040	-
Intangible assets		217,855	-
Total Depreciation and Amortisation		30,028,895	-

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2009 R	2008 R
26 FINANCE COSTS			
Borrowings		832,563	3,391,489
Total Finance Costs		<u>832,563</u>	<u>3,391,489</u>
27 BULK PURCHASES			
Electricity		7,913,901	5,376,780
Water		17,274,385	14,838,068
Total Bulk Purchases		<u>25,188,286</u>	<u>20,214,848</u>
28 CONTRACTED SERVICES			
Contracted services for			
Security Services		2,444,020	
Cleaning Services		564,466	
		<u>3,008,486</u>	-
29 GRANTS AND SUBSIDIES PAID			
Grant/subsidy to Local Municipalities		813,167	709,839
		<u>813,167</u>	<u>709,839</u>
These grants comprise Tourism Grants to Local Municipalities and a Water Services Provider Grant to Abaqulusi Municipality			
30 GENERAL EXPENSES			
Included in general expenses are the following -			
Advertising		387,538	215,817
Audit fees		1,000,073	1,614,859
Bank charges		120,607	111,889
Cleaning		77,105	559,741
Conferences and delegations		4,446	5,164
Connection charges		315,823	-
Entertainment		381,688	195,093
Fuel and oil		3,529,067	2,333,525
Insurance		1,616,579	1,214,292
Membership fees		44,414	28,459
License fees		110,768	82,920
Membership fees		298,645	199,951
Postage		78,881	116,780
Printing and stationery		406,255	701,884
Professional fees		2,533,127	1,542,486
Rental of buildings		142,417	130,057
Rental of office equipment		120,443	347,250
Other rentals		564,722	222,976
Security costs		-	1,869,810
Accrued leave adjustment account		1,575,813	-
Skills development levies		541,298	401,333
Stocks and material		250,555	244,327
Subscription & publication		1,043,482	747,830
Telephone cost		2,024,828	1,440,082
Training		1,343,403	737,452
Community & social expenditure		62,490,837	-
Travel and subsistence		4,335,085	3,392,782
Uniforms & overalls		308,920	314,991
Grants expenditure		13,868,592	-
Other		23,871,411	182,821,709
		<u>123,347,501</u>	<u>201,193,370</u>
30.1 GAIN / (LOSS) ON SALE OF ASSETS			
Property, plant and equipment		60,897	-
Total gain / (loss) on sale of assets		<u>60,897</u>	-

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

	Note	2009 R	2008 R
31 CASH GENERATED BY OPERATIONS			
Surplus/(deficit) for the year		123,972,714	5,928,592
Adjustment for -			
Depreciation and amortisation		30,028,894	-
(Gain) / loss on sale of assets		(60,897)	-
Contribution to provisions - non-current		-	222,235
Contribution to provisions - current		832,563	3,361,488
Finance costs		-	1,109,240,791
Interest earned		(21,194,644)	(17,617,716)
Appropriation for the year		(5,787,552)	-
Operating surplus before working capital changes:		<u>127,791,079</u>	<u>1,101,166,381</u>
Working Capital		<u>(40,077,178)</u>	<u>(9,081,667)</u>
Increase in trade and other receivables from exchange transactions		4,561,737	1,061,068
Decrease in other receivables from non-exchange transactions		(3,060,686)	10,635,052
Increase in current portion of receivables		63,831	69,822
Increase in prepayments		(1,630,454)	1,175,245
(Increase)/decrease in VAT receivable		(31,722,632)	(8,452,123)
Increase in inventory		(904,467)	-
Decrease in non-current receivables		(4,358)	(1,511)
Increase in trade and other payables from exchange transactions		6,032,426	1,984,282
Increase/(decrease) in consumer deposits		2,234,298	(517,968)
Increase in current provisions		-	-
Decrease in current portion of unspent conditional grants and receipts		(19,813,596)	(13,687,006)
Increase in current portion of borrowings		137,394	(1,348,538)
Decrease in other current financial liabilities		3,829,329	-
Appropriation for the year		-	-
(Increase)/decrease in inventories		-	-
Cash generated by/(utilised in) operations		<u>87,713,901</u>	<u>1,092,083,724</u>
31.1 Cash receipts from consumers, government and other			
Total revenue per statement of financial performance		391,276,604	304,164,557.50
Adjusted for items disclosed separately			
Interest received		(21,194,644)	-
Adjusted for working capital		(31,065,576)	4,487,553
Increase in trade and other receivables from exchange transactions		4,561,737	1,061,068.00
Decrease in other receivables from non-exchange transactions		(3,060,686)	10,635,052.00
Increase in current portion of receivables		63,831	69,822.00
(Increase)/decrease in VAT receivable		(31,722,632)	(8,452,123)
Increase in inventory		(904,467)	1,175,245.00
Decrease in non-current receivables		(4,358)	(1,511.00)
Cash receipts from consumers, government and other		<u>339,016,385</u>	<u>308,654,111</u>
31.2 Cash paid to employees, suppliers and other			
Total expenses as per statement of financial performance		(267,364,786)	298,237,968.03
Adjusted for non-cash items:		24,241,342	1,109,463,026
Depreciation		30,028,894	-
Appropriations for the year		(5,787,682)	-
Contribution to provisions - current		-	222,235.00
Other adjustments		-	1,109,240,791.00
Adjusted for items disclosed separately			
Finance Costs		832,563	-
Adjusted for working capital		(9,010,603)	(13,569,220)
Increase in prepayments		(1,630,454)	-
Increase in trade and other payables from exchange transactions		6,032,426	1,984,282.00
Decrease in current portion of unspent conditional grants and receipts		(19,813,596)	(13,687,006)
Increase/(decrease) in consumer deposits		2,234,298	(517,968)
Increase in current portion of borrowings		137,394	(1,348,538)
Decrease in other current financial liabilities		3,829,329	-
Cash paid to employees, suppliers and other		<u>(261,301,484)</u>	<u>1,394,131,772</u>

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

Notes	2009	2008
	R	R

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Nota	2009 R	2008 R
32 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the cash flow statement comprise the following			
Bank balances and cash		77 662,763	166 113,783
Bank overdrafts		-	(1,813,878)
Net cash and cash equivalents (net of bank overdrafts)		<u>77 662,763</u>	<u>164 299,905</u>
33 CHANGE IN ACCOUNTING POLICY			
The following adjustments were made to amounts previously reported in the annual financial statements of the municipality arising from the implementation of new accounting policies, implementation of GRAP and changes to existing policies			
33.1 Reserves			
Balance previously reported: -			
Project Development Fund			7,505,703
MIG			37,220,182
DWAF			37,290,645
Municipal Development Information services			1,000,000
Gumbi Land Settlement			500,000
LGSETA			141,961
Building for Sport and Recreation			747,478
Municipal Systems Improvement			1,179,548
Grant Infrastructure Backlog Studies			1,658,444
Grant Transport plan			627,418
Grant IDP			80,000
Grant DPLG GIS Capacity			14,066
KZN Infrastructure Grant			450,000
Gijima KZN			2,899
Ulundi Airport			210,618
Ulundi Airport Resurfacing			1,854,350
P700 Infrastructure			427,656
Ulundi Tourism Hub			1,378,868
Project Consolidate Nongoma			1 748,768
Shared Services			253,651
Cengen Development			2,758,500
Indonsa			2,106,260
Other reserves			-
Loans redeemed and other capital receipts			-
Total		<u>-</u>	<u>89,157,826</u>
Implementation of GRAP			
Transferred to accumulated surplus/(deficit)			44,725,895
Transferred to unspent conditional grants			54,431,932
33.2 Provisions and Reserves			
Balance previously reported			
Staff Bursary Reserve			138 889
Leave Provision			2 380 033
Total		<u>-</u>	<u>2,518,922</u>
Implementation of GRAP			
Transferred to accumulated surplus/(deficit)			138,889
Transferred to staff leave accrual			2 380,033
			<u>2,518,922</u>
33.3 Loans Redeemed and other capital receipts			
Balance previously reported			
			880 605,233
Implementation of GRAP			
Transferred to accumulated surplus/(deficit)			880 605,233
Total		<u>-</u>	<u>-</u>
33.4 Property, plant and equipment			
Balance previously reported			
			885,078,120
Implementation of GRAP			
Finance lease asset previously not recorded			550 000
Total		<u>-</u>	<u>885,628,120</u>

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2009 R	2008 R
33.5 Accumulated Depreciation			
Balance previously reported			-
Implementation of GRAP			
Backlog depreciation: land and buildings			3 667 636
Backlog depreciation: infrastructure			67 170 991
Backlog depreciation: other			7 178 873
Finance lease asset			110 000
Amortisation of intangible asset			1 233 620
Total (debited to accumulated surplus/(deficit))		-	79 361 120
33.6 Accumulated Surplus/(Deficit)			
Balance previously reported			49 242 304
Implementation of GRAP			
Adjustments to loans redeemed and other capital receipts (see 33.3 above)		980 605 233	
Excessive provisions and reserves no longer permitted (see 33.2 above)		138 888	
Finance charges on finance lease previously not recognised		(69 403)	
Transferred from statutory funds (see 33.1 above)		44 725 885	
Finance lease instalments previously expensed		151 956	
Backlog depreciation (see 33.5 above)		(79 361 120)	
Total		-	986 433 783

ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE

34 MANAGEMENT ACT

34.1 Contributions to organised local government

Opening balance		
Membership Fees	298 645	
Balance unpaid (included in payables)	298 645	-

34.2 Audit fees

Amount paid - current year	1 000 073	871 712
Balance unpaid (included in payables)	1 000 073	871 712

34.3 VAT

VAT input receivables and VAT output payables are shown in note 11. Not all VAT returns were submitted by the due date throughout the year but corrective measures are now in place.

34.4 PAYE and UIF

Opening balance	-	-
Current year payroll deductions	8 859 329	7 456 708 99
Amount paid - current year	(8 859 329)	(7 456 708)
Amount paid - previous years	-	-
Balance unpaid (included in payables)	(0)	-

34.5 Pension and Medical Aid Deductions

Opening balance	-	-
Current year payroll deductions and Council Contributions	11 403 968	8 894 803 24
Amount paid - current year	(11 403 968)	(8 894 803)
Amount paid - previous years	-	-
Balance unpaid (included in payables)	(0)	-

ZULULAND DISTRICT MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2009

	Note	2009 R	2008 R
34.6 Councillor's arrear consumer accounts			
The following Councillors had arrear accounts outstanding for more than 90 days as at -	Total	Outstanding less than 90 days	Outstanding more than 90 days
	R	R	R
as at 30 June 2009			
Cllr V Z KaMagwaza-Maibi	251	251	-
Cllr S E Nkanyana	2,399	92	2,307 00
Total Councillor Arrear Consumer Accounts	2,651	343	2,307 00
as at 30 June 2008			
Cllr V Z Magwaza	324	218	-
Cllr S E Nkanyana	1,713	78	1,634 65
Total Councillor Arrear Consumer Accounts	2,037	296	1,634 65
During the year the following Councillors had arrear accounts outstanding for more than 90 days		Highest Amount Outstanding R	Ageing Days
as at 30 June 2009			
Cllr S E Nkanyana		2,242	90x days
as at 30 June 2008			
Cllr S E Nkanyana		1,713	90x days

35 CAPITAL COMMITMENTS

35.1 Commitments in respect of capital expenditure

- Approved and contracted for Infrastructure	148,870,973	99,157,827 00
	148,870,973	99,157,827 00
Total	148,870,973	99,157,827 00
This expenditure will be financed from		
- Government Grants	148,870,973	99,157,827 00
	148,870,973	99,157,827 00

35.2 Operating leases

At the reporting date the entity has outstanding commitments under operating leases which fall due as follows

Operating leases - lessee

Within one year	59,538	
In the second to fifth year inclusive	51,628	
Total	111,166	-

36 RELATED PARTIES

Members of key management (refer to note 22)
Compensation to councillors and other key management (refer to note 22 & 23)

37 CORRECTION OF ERROR

During the year ended 30 June 2008, fuel and oil for the 07/08 financial was erroneously recorded as an expense in the 2008/2009 financial year

The comparative amount has been restated as follows

Corrections of prior year fuel and oil recorded as an expense in the current year	479,518	
Decrease in Fuel and Oil	479,518	-
Net effect on surplus/(deficit) for the year		
Net effect on accumulated surplus opening balance	(479,518)	

38 APPROPRIATIONS FOR THE YEAR

Appropriation for the year is used to record transactions that affect the accumulated surplus. These include prior year cheques not cancellable/issuable against the line item from which it was issued, journals

ZULULAND DISTRICT MUNICIPALITY

APPENDIX A

SCHEDULE OF EXTERNAL LOANS

as at 30 June 2009

EXTERNAL LOANS	Loan number	Redeemable Date	Balance at 30 June 2008 R	Received during the period R	Redeemed / written off during the period R	Balance at 30 June 2009 R	Carrying Value of Property, Plant & Equipment R	Other Costs in accordance with MFMA R
LONG-TERM LOANS-INCA LOAN@12.91%		31/03/2013	6,278,328	-	1,030,975	5,247,353		
Total long-term loans			6,278,328	-	1,030,975	5,247,353		
TOTAL EXTERNAL LOANS			6,278,328	-	1,030,975	5,247,353		

ZULULAND DISTRICT MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2009

	Cost/Revaluation				Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of Impairment loss	Closing Balance		
	R	R	R	R	R	R	R	R	R	R	R	R
Land	400,000	70,000	-	-	470,000	-	-	-	-	-	-	470,000
Land	400,000	70,000	-	-	470,000	-	-	-	-	-	-	470,000
Buildings	30,592,866	-	-	-	30,592,866	(3,667,936)	(962,381)	-	-	(4,660,017)	-	25,932,849
Infrastructure	639,375,026	2,829,492	-	17,038,697	659,043,185	(44,346,346)	(17,177,874)	-	-	(61,524,020)	-	597,519,165
Water & Sewerage Int	301,008,285	81,684,391	-	103,952,828	486,645,514	(22,624,645)	(9,557,236)	-	-	(32,381,881)	-	434,263,633
Water & Sewerage Pipes	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
940,383,321	64,313,884	-	-	120,991,494	1,125,689,699	(67,170,991)	(26,734,910)	-	-	(93,905,901)	-	1,031,782,788
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-	-	-
Paintings & Artefacts	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	971,375,987	84,383,884	-	120,991,494	1,156,751,365	(70,839,027)	(27,727,291)	-	-	(98,565,918)	-	1,056,185,447

ZULULAND DISTRICT MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2009

	Cost / Revaluation				Accumulated Depreciation						Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of Impairment loss	Closing Balance	Transfers	
	R	R	R	R	R	R	R	R	R	R	R	R
Total brought forward	971,375,987	84,383,884	-	120,981,494	1,156,751,365	(70,836,827)	(27,727,291)	-	-	(98,565,918)	-	1,058,189,447
Other Assets												
Office Equipment	982,365	216,771	-	-	1,199,136	(551,894)	(134,870)	-	-	(686,864)	-	512,272
Furniture & Fittings	253,391	23,865	-	-	277,256	(182,883)	(25,547)	-	-	(208,410)	-	68,846
Emergency Equipment	139,475	-	-	-	139,475	(14,874)	(13,948)	-	-	(28,822)	-	110,653
Motor vehicles	8,878,871	8,889,723	(461,387)	-	15,087,027	(4,331,529)	(1,386,487)	257,414	-	(5,460,582)	-	9,628,445
Computer Equipment	2,885,849	1,411,948	-	-	4,097,597	(1,856,023)	(387,724)	-	-	(2,223,747)	-	1,873,850
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	962,582	-	-	-	962,582	(241,790)	(45,193)	-	-	(286,983)	-	675,599
	13,702,133	8,922,308	(461,387)	-	21,763,072	(7,179,873)	(1,873,749)	257,414	-	(6,895,208)	-	12,887,864
Finance Lease Assets												
Office Equipment	550,000	-	-	-	550,000	(110,000)	(110,000)	-	-	(220,000)	-	330,000
Other Assets	550,000	-	-	-	550,000	(110,000)	(110,000)	-	-	(220,000)	-	330,000
	885,828,120	72,806,190	(461,387)	120,981,494	1,179,084,437	(79,127,500)	(29,811,040)	257,414	-	(107,681,128)	-	1,071,383,311
Total												

ZULULAND DISTRICT MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2008

	Cost / Revaluation				Accumulated Depreciation					Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of Impairment loss			
	R	R	R	R	R	R	R	R	R	R	R	R
Land	400,000	-	-	-	400,000	-	-	-	-	-	-	400,000
Land	400,000	-	-	-	400,000	-	-	-	-	-	-	400,000
Buildings	27,307,866	3,285,000	-	-	30,592,866	(2,752,188)	(915,488)	-	-	(3,667,636)	-	26,925,030
Infrastructure												
Water & Sewerage Inst	484,824,669	154,750,357	-	-	639,575,026	(29,908,943)	(14,439,403)	-	-	(44,348,346)	-	595,028,680
Water & Sewerage Pipes	222,838,537	78,371,758	-	-	301,006,295	(15,317,514)	(7,507,131)	-	-	(22,824,845)	-	278,183,650
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	707,261,206	233,122,115	-	-	940,383,321	(45,224,457)	(21,946,534)	-	-	(67,170,991)	-	873,212,330
Recreation Grounds	-	-	-	-	-	-	-	-	-	-	-	-
Stadiums	-	-	-	-	-	-	-	-	-	-	-	-
Swimming Pools	-	-	-	-	-	-	-	-	-	-	-	-
Heritage Assets	-	-	-	-	-	-	-	-	-	-	-	-
Paintings & Artefacts	-	-	-	-	-	-	-	-	-	-	-	-
Total carried forward	734,869,872	236,407,115	-	-	971,376,987	(47,976,625)	(22,882,002)	-	-	(70,838,827)	-	900,537,360

ZULULAND DISTRICT MUNICIPALITY
APPENDIX B
ANALYSIS OF PROPERTY PLANT AND EQUIPMENT
as at 30 June 2008

	Cost / Revaluation				Accumulated Depreciation						Transfers	Other movements	Carrying Value
	Opening Balance	Additions	Disposals	Under Construction	Closing Balance	Opening Balance	Depreciation	Disposals	Impairment loss/Reversal of Impairment loss	Closing Balance			
	R	R	R	R	R	R	R	R	R	R	R	R	R
Total brought forward	734,985,872	238,407,115	-	-	971,375,987	(47,876,625)	(22,892,002)	-	-	(70,838,627)	-	-	900,537,360
Other Assets													
Office Equipment	727,259	255,108	-	-	982,365	(438,948)	(113,048)	-	-	(551,894)	-	-	430,371
Furniture & Fittings	235,337	18,054	-	-	253,391	(156,381)	(28,482)	-	-	(182,883)	-	-	70,528
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-
Emergency Equipment	139,475	-	-	-	139,475	(650)	(14,024)	-	-	(14,874)	-	-	124,601
Motor vehicles	8,678,671	-	-	-	8,678,671	(3,168,243)	(1,183,288)	-	-	(4,331,528)	-	-	4,347,142
Fire engines	-	-	-	-	-	-	-	-	-	-	-	-	-
Refuse tankers	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	2,258,641	427,007	-	-	2,685,649	(1,520,627)	(335,398)	-	-	(1,856,023)	-	-	829,528
Computer Software (part of computer equipment)	1,714,635	90,808	(1,805,441)	-	-0 00	(650,287)	(283,323)	1,233,620	-	-	-	-	(0)
Other Assets	982,582	-	-	-	982,582	(187,258)	(54,532)	-	-	(241,790)	-	-	720,792
	14,715,601	790,974	(1,805,441)	-	13,702,133	(8,422,402)	(1,980,081)	1,233,620	-	(7,178,872)	-	-	6,523,260
Finance Lease Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	550,000	-	-	550,000	-	(110,000)	-	-	(110,000)	-	-	440,000
Other Assets	-	550,000	-	-	550,000	-	(110,000)	-	-	(110,000)	-	-	440,000
Total	749,885,473	237,748,088	(1,805,441)	-	985,828,120	(54,398,027)	(24,982,083)	1,233,620	-	(78,127,500)	-	-	907,500,820

ZULULAND DISTRICT MUNICIPALITY
APPENDIX C
SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT
as at 30 June 2009

as at 30 June 2009											
	Cost / Revaluation				Accumulated Depreciation						
	Opening Balance		Additions	Under Construction	Disposals	Closing Balance	Opening Balance		Disposals	Closing Balance	
	R	R					R	R			R
Executive & Council	30,715,120	8,592,308			(461,367)	38,846,059	(7,288,873)	(2,083,749)	257,414	(9,115,208)	29,730,851
Finance & Admin	2,995,580					2,995,580					2,995,580
Planning & Development	3,788,992					3,788,992					3,788,992
Health	12,966					12,966					12,966
Community & Social Services	343,507					343,507					343,507
Public Safety	2,173,787					2,173,787					2,173,787
Water	945,561,140	84,313,884		120,991,494		1,130,866,518	(70,938,627)	(27,727,291)		(98,565,918)	1,032,300,600
Electricity											
Other	37,027	-				37,027					37,027
Total	985,628,119	72,906,190	120,991,494	(461,367)		1,179,064,436	(78,127,500)	(29,811,040)	257,414	(107,681,128)	1,071,383,310

ZULULAND DISTRICT MUNICIPALITY
APPENDIX D
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 30 June 2009

2008	2008		2008		2008		2008	
	Actual Income	Actual Expenditure	Surplus / (Deficit)	Actual Income	Actual Expenditure	Surplus / (Deficit)	Actual Income	Actual Expenditure
R	R	R	R	R	R	R	R	R
-	28 019 121	(28 019 121)	Executive & Council	-	30 618 095	(30 618 095)	-	30 618 095
122 277 486	10 604 683	111 672 803	Finance & Admin	150 225 287	41 354 947	108 870 340	150 225 287	41 354 947
6 534 593	10 977 343	(4 442 750)	Planning & Development	19 001 395	26 401 290	(7 399 895)	19 001 395	26 401 290
-	1 377 437	(1 377 437)	Health	-	1 348 394	(1 348 394)	-	1 348 394
3 905 560	29 780 054	(25 874 494)	Community & Social Services	2 182 289	60 720 480	(58 538 191)	2 182 289	60 720 480
-	685 920	(685 920)	Public Safety	-	823 823	(823 823)	-	823 823
186 042 151	209 450 989	(43 408 838)	Waste Management	5 613 775	4 961 653	652 122	5 613 775	4 961 653
5 406 769	4 527 454	879 315	Water	214 314 755	99 535 578	114 779 178	214 314 755	99 535 578
-	2 834 964	(2 834 964)	Other	-	1 598 527	(1 598 527)	-	1 598 527
304 186 589	298 237 966	5 928 584	Total	391 337 501	267 364 786	123 972 716	391 337 501	267 364 786
304 186 589	298 237 966	5 928 584	Total	391 337 501	267 364 786	123 972 716	391 337 501	267 364 786

	2009 Actual R'000	2009 Budget R'000	2009 Variance R'000	2009 Variance %	Explanation for variances
REVENUE					
Service Charges	18,321,998	15,835,573	2,486,425	16	Water consumed exceeded expectations
Rental of facilities and equipment	83,345	-	83,345		Omitted from the budget
Interest earned- external investments	21,194,644	19,800,000	1,394,644	7	The level of investments and the rate fluctuated to the benefit of the district. An original budget of R12,000,000 was adjusted by R7,800,000 through the adjustments budget
Interest earned- outstanding debtors	271,592	-	271,592		Not budgeted for but effected due to the implementation of GRAP
Fines	-	-	-		
Licences and permits	-	-	-		
Government Grants & Subsidies	350,874,413	386,090,991	-35,216,577	-9	The variance primarily comprises the unspent conditional grants
Public contributions and donations	70,000	-	70,000		Not expected at budget time
Other revenue	460,612	-	460,612		This comprises mainly tender income, telephone recovered and other income that could not be determined with certainty at budget time
Gains on disposal of property, plant and equipment	60,897	250,000	-189,103	-76	Vehicles that were expected to be sold were actually not sold during the year
TOTAL REVENUE	391,337,501	421,976,563	-30,639,062		
EXPENDITURE					
Employee related costs	58,638,236	58,188,793	449,443	1	Overtime actual exceeded the budgeted amount. Moreover, variances are budgeted for a full year and some are only filled after a few months have lapsed and as a result savings are achieved
Remuneration of Councillors	4,934,083	4,680,846	253,237	5	Annual increments were higher than budgeted
Collection costs	297,008	180,801	106,208	56	Only an estimate at budget time
Depreciation	30,028,894	-	30,028,894	100	Depreciation not budgeted for as council was in the process of implementing a proper assets register at budget time. However, actual depreciation had to be calculated in terms of GRAP requirements.
Repairs and maintenance	18,278,561	23,288,841	-4,010,280	-17	Expenditure qualify as assets and thus capitalised in terms of GRAP
Bulk purchases	25,188,286	31,800,340	-6,612,054	-21	Savings were achieved on the bulk maintenance contract
Contracted services	3,008,488	3,079,117	-70,629	-2	Ward requirements were not purchased but budgeted as carry-over in 2009/2010
General expenses	123,347,501	128,723,285	-5,375,784	-4	Finance lease interest expense budgeted as part of rent
Finance Cost	832,563	731,902	100,661	14	equipment
Grants and subsidies paid	813,167	813,167	-		
TOTAL EXPENDITURE	267,364,766	257,495,902	10,868,864		
SURPLUS / -DEFICIT FOR THE YEAR	123,972,735	169,480,661	-45,507,946		

ZULULAND DISTRICT MUNICIPALITY

Capital expenditure during the year ended 30 June 2009 was restricted due to cashflow constraints

NAME OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 12 OF THE MUNICIPAL FINANCE MANAGEMENT ACT 56 OF 2003

Name of Grants	Name of the Beneficiary	Unspent portion 2007/2008 (RMB)	Quarterly Receipts			Total Receipts	Quarterly Expenditure			Total Expenditure	Unspent portion 2007/2008 (RMB)	Grant is in accordance with the provisions of the relevant legislation
			July to Sept	Oct to Dec	Jan to Mar		July to Sept	Oct to Dec	Jan to Mar			
In Rivers	National Treasury		42 313 886	31 885 373	32 142 127	106 341 386	42 313 886	31 885 373	32 142 127	106 341 386		YES
	Art & Culture	2 126 260				2 126 260				2 126 260	485 345	YES
	DNAP		804 000	804 000	804 000	2 412 000	804 000	804 000	804 000	2 412 000		YES
	CPLO	1 178 548				1 178 548				1 178 548	260 344	YES
Operations & Maintenance Grants	DNAP		806 000	806 000	806 000	2 418 000	806 000	806 000	806 000	2 418 000		YES
	DLGTA		250 000	250 000	250 000	750 000	250 000	250 000	250 000	750 000		YES
	DLGTA		250 000	250 000	250 000	750 000	250 000	250 000	250 000	750 000		YES
	DLGTA		250 000	250 000	250 000	750 000	250 000	250 000	250 000	750 000		YES
Planning	DLGTA		100 000	100 000	100 000	300 000	100 000	100 000	100 000	300 000		YES
	DLGTA		40 070 723	19 827 000	65 933 267	125 760 019	40 070 723	19 827 000	65 933 267	125 760 019		YES
	CPLO			9 106 000	7 682 176	16 788 176		9 106 000	7 682 176	16 788 176		YES
	DLAP	37 260 845				37 260 845				37 260 845	17 214 831	YES
Infrastructure Grants	DLAP	747 478				747 478				747 478	13 935 545	YES
	DLAP		250 000	250 000	250 000	750 000	250 000	250 000	250 000	750 000		YES
	DLAP		500 000	500 000	500 000	1 500 000	500 000	500 000	500 000	1 500 000		YES
	DLAP		200 000	200 000	200 000	600 000	200 000	200 000	200 000	600 000		YES
Urban Grants	DLAP	2 758 500				2 758 500				2 758 500	2 870 548	YES
	DLAP		4 538 000	4 538 000	4 538 000	13 614 000	4 538 000	4 538 000	4 538 000	13 614 000		YES
	DLAP		500 000	500 000	500 000	1 500 000	500 000	500 000	500 000	1 500 000		YES
	DLAP		3 867 874	3 867 874	3 867 874	11 603 622	3 867 874	3 867 874	3 867 874	11 603 622		YES
Local Government Grants	DLGTA		4 120 000	4 120 000	4 120 000	12 360 000	4 120 000	4 120 000	4 120 000	12 360 000		YES
	DLGTA		20 000	20 000	20 000	60 000	20 000	20 000	20 000	60 000		YES
	DLGTA		20 000	20 000	20 000	60 000	20 000	20 000	20 000	60 000		YES
	DLGTA		20 000	20 000	20 000	60 000	20 000	20 000	20 000	60 000		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 261 856	3 261 856	9 835 568		YES
Municipal Grants	DLGTA		3 261 856	3 261 856	3 261 856	9 835 568	3 261 856	3 26				